

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE



REQUEST FOR PROPOSALS (RFP)

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Data Collection Support and Analytic Report
Development

MHCC 10-001

Offerors are invited to submit proposals in conformance with the requirements established by the specifications herewith.

Minority Business Enterprises Are Encouraged To Respond To This Solicitation.

Publication Date: May 11, 2009

Note: Please see Part IV, Section 2.14, clause #2 for cautions regarding the confidentiality of proposals submitted in response to this RFP.

ENCOURAGEMENT OF PARTICIPATION STATEMENT

The State of Maryland is actively seeking to increase participation from businesses and organizations in the procurement of goods and/or services. Accordingly, all potential bidders/offerors are encouraged to complete the "Notice to Vendors/Contractors," which is on the following page, supplying comments and/or the reason(s) for declining to bid or to make an offer in response to this solicitation. Please return this form either with your submission package or in an envelope addressed to the issuing office listed on the Key Information Summary Sheet, even if you are not submitting a proposal.

VENDOR COMMENTS

In order to help us improve the quality of State solicitations, and make our procurement process more responsive and business-friendly, we ask that you take a few minutes to complete this form and submit it to the Procurement Officer listed on the following page. Thank you for your assistance.

Bid/Proposal Number: MHCC 10-001

Entitled: **Data Collection Support and Analytic Report Development**

I. If you are not bidding, please indicate why:

- ☐ Other commitments preclude our participation at this time.
- ☐ The subject of the solicitation is not in our business line.
- ☐ We lack experience in the work/commodities required.
- ☐ The scope of work is beyond our current capacity.
- ☐ We cannot be competitive. (Please explain below.)
- ☐ Specifications are either unclear or too restrictive. (Please explain in below.)
- ☐ Bid/Proposal requirements, other than specifications, are unreasonable or too risky. (Please explain below.)
- ☐ Time for completion is insufficient.
- ☐ Bonding/Insurance requirements are prohibitive. (Please explain below.)
- ☐ Doing business with government is simply too complicated.
- ☐ Prior experience with State of Maryland contracts was unprofitable or otherwise unsatisfactory. (Please explain below.)
- ☐ Other: _____

II. Please explain your response further, offer suggestions or express concerns. (Use the back for additional information.)

REMARKS: _____

OPTIONAL:

Vendor Name: _____ Date _____

Contact Person: _____ Phone (____) _____ - _____

Address or e-mail: _____

Thank You!!!

KEY INFORMATION SUMMARY PAGE

Title of RFP: Data Collection Support and Analytic Report Development

RFP Issue Date: May 11, 2009

RFP Number: MHCC 10-001

Description of Services: The contractor shall devise and implement a strategy for maintaining and expanding data submission from payers. The contractor will coordinate collection, edit and organize information on health services so that the data is useable for public reporting and for other activities of the Commission.

Procurement Method: Competitive Sealed Proposals (COMAR 21.05.03)

Contract Term: Five year contract term: July 1, 2009 – June 30, 2014

Electronic Funds Transfer: By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the attached form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form (Appendix K). Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

Issuing Office: Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Issuing Office Point of Contact: Sharon Wiggins 410-764-3329
swiggins@mhcc.state.md.us

Procurement Officer: Ms. Sharon Wiggins
Maryland Health Care Commission
(410) 764-3329

Contract Monitor: Ben Steffen, Deputy Director
Maryland Health Care Commission
(410) 764-3570

Deadline for receipt of proposals: Thursday, June 11, 2009 at 4:00 p.m. local time

Proposal(s) Received At: Ms. Sharon Wiggins
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
Hand deliver to MHCC receptionist, lobby entrance

Pre-proposal Conference:

A pre-proposal conference is scheduled for Wednesday, May 27 2009 at 11:00 a.m. at 4160 Patterson Avenue, Room 101 in Baltimore, Maryland. Please notify Sharon Wiggins at swiggins@mhcc.state.md.us by Monday, May 25, 2009 that you will be attending this meeting. Parking is available in front of the building.

Directions to the Maryland Health Care Commission—

From Beltway (695): Take exit **18A** (Lochearn, Route 26). Follow Liberty Road for several lights; when you see a cemetery (Woodlawn Cemetery) on your right, turn left at the next light **onto Patterson Avenue**. Follow Patterson Avenue; cross Wabash Avenue and the railroad tracks. After passing the Home Depot, turn left. The Commission is located in the Reisterstown Plaza at the corner of Patterson Avenue and Reisterstown Road.

From downtown Baltimore: Take **I-83 North to Northern Parkway, West (2nd exit)**. Follow Northern Parkway. After passing Park Heights Avenue, turn right **onto Reisterstown Road**. The next light after passing Ford's Lane is **Patterson Avenue**. **Turn left** onto Patterson Avenue, and take the first right into the mall.

MBE Subcontracting Goal: **A MBE Subcontracting Goal of 25% has been established for the contract to result from this solicitation.**

TABLE OF CONTENTS

PART I	SPECIFIC REQUIRMENTS OF PROPOSED CONTRACT.....	11
	1. INTRODUCTION.....	11
	2. BACKGROUND.....	11
	3. PURPOSE	12
	4. SERVICES TO BE PERFORMED.....	13
	4.1 PRIVATE INSURER DATA REQUIREMENTS	13
	4.2 MEDICARE DATA DEVELOPMENT REQUIREMENTS.....	19
	4.3 INFORMATION TO BE COLLECTED BY CONTRACTOR	20
	4.4 ANALYTICAL REPORT DEVELOPMENT.....	22
	4.5 SPECIAL POLICY AND DATA QUALITY STUDIES	24
	4.6 TRANSITION PLANNING.....	24
	4.7 PERSONNEL REQUIREMENTS	24
	4.8 OTHER REQUIREMENTS.....	26
	5. SUMMARY OF DELIVERABLES.....	27
PART II	ORGANIZATION OF PROPOSAL	30
	1. GENERAL FORMAT.....	30
	1.1 TWO-PART SUBMISSION	30
	1.2 TRANSMITTAL LETTER	30
	2. VOLUME I: TECHNICAL PROPOSAL.....	30
	2.1 FORMAT AND CONTENT	30
	2.2 SUMMARY OF ITEMS TO BE SUBMITTED WITH THE TECHNICAL PROPOSAL.....	33
	3. VOLUME II: FINANCIAL PROPOSAL.....	34
	3.1 FORMAT AND CONTENT	34
	3.2 SUMMARY OF ITEMS TO BE SUBMITTED WITH THE FINANCIAL PROPOSAL	35
PART III	EVALUATION AND SELECTION PROCEDURE	36
	1. EVALUATION COMMITTEE.....	36
	1.1. EVALUATION CRITERIA.....	36
	1.2. EVALUATION PROCESS.....	37
	1.3 DISCUSSIONS / REVISIONS.....	39
	1.4 BEST AND FINAL OFFERS	39
	1.5 DEBRIEFING OF UNSUCCESSFUL OFFERORS.....	39
	1.6 PROTESTS	40
PART IV	RFP INFORMATION AND INSTRUCTIONS	41
	1. PROPOSAL INFORMATION.....	41
	1.1 PRE-PROPOSAL INFORMATION	41
	1.2 QUESTIONS AND INQUIRIES.....	41
	1.3 RFP REVISIONS	42
	1.4 CONFIDENTIALITY OF PROPOSALS.....	42
	1.5 DURATION OF OFFER.....	42
	1.6 MODIFICATIONS OR WITHDRAWALS	42
	1.7 LATE ACTIONS.....	42

1.8	RIGHTS OF THE PROCUREMENT OFFICER.....	43
1.9	INCURRED EXPENSES	43
1.10	MULTIPLE PROPOSALS.....	43
1.11	ALTERNATE PROPOSALS.....	43
1.12	CORPORATE REGISTRATION/VERIFICATION OF TAX PAYMENT.....	43
1.13	RESERVED	44
1.14	DELIVERY/HANDLING OF PROPOSALS	44
1.15	FEDERAL FUNDING ACKNOWLEDGMENT	44
1.16	MBE REQUIREMENTS.....	44
1.17	BID/PROPOSAL AFFIDAVIT.....	48
1.18	CONTRACT AFFIDAVIT.....	49
1.19	ECONOMIC BENEFIT TO THE STATE OF MARYLAND.....	49
2.	CONTRACT INFORMATION.....	48
2.1	DURATION OF CONTRACT	48
2.2	INVOICING/PAYMENT/RETAINAGE/WITHHOLDING	48
2.3	CONTRACT TYPE	50
2.4	SUBCONTRACTING.....	51
2.5	CONTRACT DOCUMENT.....	51
2.6	CONTRACT AFFIDAVIT.....	51
2.7	INSURANCE REQUIREMENTS	51
2.8	AMENDMENTS.....	52
2.9	SUBSTITUTION OF PERSONNEL	52
2.10	RECIPROCAL PREFERENCES	52
2.11	RESERVED	53
2.12	RESERVED	53
2.13	RESERVED	53
2.14	STANDARD CONTRACT CLAUSES	53
PART V	CONTRACT DOCUMENT	63
PART VI	APPENDICES	65

LIST OF APPENDICES

Appendices listed here will be found in Part VI of this RFP

APPENDIX A:	STANDARD ADDENDUM FOR THE MEANS OF DELIVERING BIDS OR PROPOSALS
APPENDIX B:	BID/PROPOSAL AFFIDAVIT
APPENDIX C:	CONTRACT AFFIDAVIT
APPENDIX D:	FINANCIAL PROPOSAL SHEETS
APPENDIX E:	CONTENTS OF READING ROOM
APPENDIX F:	DATA VOLUME ESTIMATES FROM PRIVATE PAYERS
APPENDIX G:	LIST OF SUPPLEMENTAL VARIABLES ADDED TO THE MCDB FILES
APPENDIX H:	MHCC LAN TECHNICAL SPECIFICATIONS
APPENDIX I:	MHCC DATA USE AGREEMENT
APPENDIX J:	HIPAA INFORMATION TECHNOLOGY SECURITY
APPENDIX K:	COT/GAD X-10 VENDOR ELECTRONIC FUNDS REGISTRATION REQUEST FORM
APPENDIX L:	MBE INSTRUCTIONS & ATTACHMENTS
APPENDIX M:	LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS

GLOSSARY OF TERMS

AHRQ	Agency for Health Research and Quality
ARCSERVE	ARCSERVE Bright store (v9.0)
BAFO	Best and Final Offer
BETOS	Berenson-Eggers Type of Service
BPW	Maryland Board of Public Works
CFR	Code of Federal Regulations
CMS	Federal Centers for Medicare and Medicaid Services
COMAR	Code of Maryland Regulations
CPT	American Medical Association's Current Procedure Terminology
DAT	Maryland Department of Assessments and Taxation
DBM	Maryland Department of Budget Management
DC	District of Columbia
DHMH	Maryland Department of Health & Mental Hygiene
DLLR	Maryland Department of Labor, Licensing and Regulation
DLT IV	Digital Linear Tape (tape backup)
DSM	Data Submission Manual
DUA	Data Use Agreement
EDI	Electronic Data Interchange
FEIN	Federal Employer Identification Number
HCPCS	CMS's Healthcare Common Procedure Coding System
HIPAA	Health Insurance Portability and Accountability Act of 1996

GLOSSARY OF TERMS

HMO	Health Maintenance Organization
HSCRC	Maryland Health Services Cost Review Commission
ICD-9-CM	International Classification of Disease Clinical Modification (9 th edition)
LAN	Local Area Network
MBE	Minority Business Enterprise
MCDB	Maryland Medical Care Data Base
MDOT	Maryland Department of Transportation
MEDICAID	Maryland Medical Assistance Program
MEPS	Medical Expenditure Panel Survey
MEPS HC	Medical Expenditure Panel Survey Household Component
MHCC	Maryland Health Care Commission
MIA	Maryland Insurance Administration
NIH	National Institute of Health
OAG	Maryland Office of the Attorney General
OSHA	Occupational Safety and Health Act
RVU	Medicare Relative Value Unit
SAMHSA	Federal Substance Abuse and Mental Health Services Administration
SAS	SAS System (most current version)
SHEA	State Health Expenditure Account
SSN	Social Security Number
WIC	Women, Infants and Children's Program

PART I

SPECIFIC REQUIREMENTS OF PROPOSED CONTRACT

1. INTRODUCTION

The Maryland Health Care Commission (MHCC) is a fifteen-member, independent regulatory commission, functioning administratively within the Maryland Department of Health and Mental Hygiene. The Maryland General Assembly created the MHCC in 1999 through the consolidation of two existing commissions to “establish a streamlined health care regulatory system within the State of Maryland in a manner such that a single state health policy can be better articulated, coordinated, and implemented.” The MHCC is responsible for carrying out the health care reform provisions contained in Health General Article, Section 19-1501 et seq. The statute directs the MHCC to establish and implement a Medical Care Data Base and to report on health care utilization and spending in the state.

The MHCC intends to make a single award as a result of this RFP.

All communications regarding this RFP are to be made only by the Procurement Officer (see Key Information Summary Sheet). Information communicated by the Procurement Officer shall constitute the official position of the MHCC.

2. BACKGROUND

The MHCC is required by law to analyze and report on health care utilization and spending in Maryland to the State legislature (COMAR 10.25.06). It meets this statutory requirement by reporting on overall health care spending each year and providing detailed analyses of physician and prescription drug spending in the state. To support these activities, the MHCC has developed a data base, the Maryland Medical Care Data Base (MCDB), which contains information on privately insured health care services and Medicare-covered services provided to Maryland residents. This data complements information on inpatient and outpatient services collected by the Health Services Cost Review Commission. The privately insured claims in the MCDB are currently limited to professional services and prescription drugs but will be expanded to include other services over the next five years.

The MCDB is created through regulatory requirements that mandate insurance companies and health maintenance organizations (HMOs) with premiums volumes of \$1 million and above submit claims/encounters along with a practitioner directory to the MHCC by June 30 of each year. The data base also includes information on services reimbursed by Medicare. The data from private and public payers essentially covers all health care services provided to the insured populations of Maryland, excluding Medicaid. These data are edited and organized into a data base that is used to produce in-depth annual analyses on reimbursement of all health services by provider categories and payer types.

The contract that results from this solicitation will continue the data collection process for a five-year contract term. To meet these objectives, the contractor shall devise and

implement a strategy for maintaining and expanding the data submission from payers to include covered services provided by hospitals and other institutions, as well as eligibility information regarding coverage for medical services and prescription drugs, in accordance with the timeline for the MCDB expansion outlined in Section 4.1. The contractor shall collect, edit, and organize information on eligibility and prescription drugs and health services paid by insurance companies operating in the State. The contractor shall organize these edited data for use in reporting activities of the Commission and for release to qualified researchers in State government and the stakeholder community.

Data quality and security are the highest concerns for all data collection activities. Accurate information from the data base is essential. The contractor shall implement an editing and review process that identifies anomalies in the data and takes corrective measures, including rejecting data submissions, correcting data fields, and imputing missing values. The contractor shall maintain a security plan that will protect the confidentiality of the indirectly identifiable health care data and conform to Maryland's "The State Information Technology Security Policy and Standards" which can be accessed at <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx> and HIPAA Information Technology Security Standards shown in Appendix J.

3. PURPOSE

The purpose of this RFP is to obtain a contractor with the experience, capabilities, and facilities to collect, process, edit, and analyze health care utilization information needed by the MHCC to meet legislated and research responsibilities as described in this document. The contractor shall assist the MHCC in processing health insurer claim data; including editing and organizing the data into a uniform format in data files of similar service types (the MCDB). The contractor shall also provide analytic services to the MHCC using these and other data collected by the MHCC.

The contractor shall prepare two analytical reports each year. The MHCC's goal is to have analytical reports that provide useful information to public and private policymakers, health care providers, private and public purchasers, and consumers. The first report (to be produced each year of the contract that results from this solicitation) shall examine the utilization of and expenditures for privately insured professional health care services, based primarily on information contained in the MCDB. The second report will be one of two new reports that will comprise a new report series. This report series will replace the MHCC's current annual state health care expenditure report. The first report in the series, to be produced in years one, three, and five, will examine Maryland's health care market/system in comparison to the nation and similar state markets using per capita spending measures based on consistent spending information definitions. This report will include comparisons of spending for the privately insured and for Medicare beneficiaries. As this report matures, the MHCC expects to examine spending trends overall, for the subpopulations, and for different markets.

The second report in the new series, to be produced in years two and four, will focus on spending patterns for the privately insured under 65 population. The focus of this report

will be on spending per capita for the market overall and for segments of the market of high interest to policy makers, including the individual market (both medically underwritten and high-risk), small group, and large groups. This report may focus on either a particular service sector or the mix of services being utilized by the privately insured, depending upon the MHCC's interest in that year.

4. SERVICES TO BE PERFORMED

The contractor shall complete the following activities for data on services and eligibility information provided for calendar years 2008 through 2012 unless otherwise stated. All work performed shall be conducted at the contractor's facility. All office equipment, computer hardware and software required to complete the work shall be provided by the contractor.

4.1 PRIVATE INSURER DATA REQUIREMENTS

Appendix F contains estimates of the payers' data volumes that will be transmitted annually to the MHCC.

The MHCC currently requires all health care payers with premium volumes in excess of \$1 million dollars to submit information on prescription drugs and services provided by health care professionals, including freestanding laboratories, radiology centers, ambulatory surgical centers, birthing centers, and kidney dialysis centers. Payers are required to submit information on all adjudicated claims for services received by their enrollees during the previous calendar year and the first four months of the current year (i.e., January 1 to April 30), with data due June 30 of the current year. Approximately 30 payers are technically required to comply. However, the MHCC screens out payers that sell types of health insurance that do not generate claims. Disease specific insurance and employer stop-loss coverage are two such products. Payers that only offer these products do not provide data to the MHCC. The MHCC estimates that up to 25 payers will be identified for submitting information each year. The MHCC defines a payer as an entity that files an annual report with the Maryland Insurance Administration (MIA). In some cases, a single corporate entity will have several submissions from different product lines in the same company. In most other cases, a single entity will make one submission for prescription drugs and one for services provided by health care professionals. Multiple submissions from an entity that files a single annual report to the MIA will be counted as a single submission, even though it may be in the interest of the MHCC and the contractor to process those submissions separately. Appendix F contains a list of commercial payers that submitted data in 2008 (2007 data).

Beginning in 2009, the data submission requirements for payers will be expanded to include institutional services and eligibility information on all enrollees. The additional information will permit a more comprehensive understanding of service utilization by the privately insured, as discussed in the report, *Plans for Collecting Enrollment, Benefit, and Institutional Claims Data*, which can be accessed at <http://mhcc.maryland.gov/legislative/hb800/hb800datacollection.pdf>. Institutional services

will be submitted in a summarized format, with each inpatient stay, emergency room visit, etc., reported on a single record that has summary information about that stay/visit. A listing of possible variables for the institutional service records can be found at http://mhcc.maryland.gov/payercompliance/mcdb_expand/claims.pdf. Information on each enrollee's duration and type of health insurance coverage will be reported in two different files: coverage for medical services and coverage for prescription drugs. A listing of possible variables for the eligibility records along with two possible record definitions can be found at http://mhcc.maryland.gov/payercompliance/mcdb_expand/eligible.pdf.

The MCDB data expansion will be phased-in over several years, and the proposed timetable for the expansion through 2013 is shown below. The voluntary submission of data files will provide a testing phase to identify the types of problems that payers may have conforming to the data submission requirements. Generally, payers will have three years to come into compliance with the data element requirements for each file once submission becomes mandatory.

Submission Year / (Year of Services)	File of Institutional Health Care Claims	Eligibility Files for (a) Medical Services & (b) Pharmacy Services
2009 / (2008)	Voluntary Submission by a subset of payers	(none)
2010 / (2009)	Mandatory Submission Year 1 of transition	Voluntary Submission by a subset of payers
2011 / (2010)	Mandatory Submission Year 2 of transition	Mandatory Submission Year 1 of transition
2012 / (2011)	Mandatory Submission Year 3 of transition	Mandatory Submission Year 2 of transition
2013 / (2012)	Mandatory Submission Full Compliance Required	Mandatory Submission Year 3 of transition

A. Provide Data Technical Support and Data Submission Management

1. The contractor shall provide technical support to commercial payers as they prepare their data submissions. The contractor shall send representatives to meet with payers to discuss data collection issues. The contractor shall advise payers on coding of data elements, confirm that alternative media or submission provisions are acceptable, and assist payers in mapping local or homegrown data elements to the specifications requested in the MHCC's data submission manual. The contractor shall document all questions, responses and data receipts. This information must be communicated in writing to the MHCC's designated contact person every two weeks by e-mail. Based on documented payer questions and responses from the previous year, the contractor shall advise and coordinate submission manual updates with the MHCC's designated contact person. The contractor will assume that there will be circumstances when the MHCC may issue a format exception to a payer having valid difficulties with the MCDB Data Submission Manual coding requirements.

2. In collecting data, the contractor shall conform to the anticipated expansion of the MCDB spelled out in COMAR 10.25.06 and summarized in the table above. The contractor shall work with the MHCC to enlist the cooperation of no more than five payers that will submit hospital or eligibility information voluntarily in the years designated.

3. The contractor shall manage the receipt of incoming data in the form of physical and transmitted information. The MHCC's expectation is that the majority of incoming data will be transmitted to the contractor via electronic file transfer via the Internet. The contractor shall establish and maintain a secure FTP (SFTP) server that payers can use to upload their data submissions. The contractor shall assign payers' rights to the SFTP site and ensure that the SFTP site authenticates individual payers with unique passwords and strong password controls for each payer. The server that supports the SFTP site must have the following capabilities:

- Storage capacity of at least 300 gigabytes configured at a minimum as a 2 drive array using fast SCSI drives.
- Server must be configured behind a firewall
- All ports except the SFTP port must be closed.
- The SFTP site must support data transmissions of at least 100 mbps via the Internet in 2009 and will be reevaluated and expanded as needed yearly.

The contractor shall also accept data submitted on the following electronic media:

- CD, DVD
- DLT, Super DLT
- IBM tape cartridge formats 3490, 3570, 3580, 3590

The current data submissions consist of: (1) files of adjudicated claims and encounter records (when a service is reimbursed on a capitated basis) for services provided by health care professionals; (2) files of prescription drug claims; and (3) provider directory files containing information on health care professionals, as described in the current MCDB Data Submission Manual, accessible at

http://mhcc.maryland.gov/payercompliance/datsubman_2008.pdf. The data expansion outlined in the preceding text will add the following additional files: (4) files of institutional services, with each inpatient stay or outpatient visit described in a single record; (5) files of information on eligibility for insured medical services, with—at minimum¹—one record for each person with coverage at any point during the service year; and (6) files of information on eligibility for prescription drug coverage, with—at minimum¹—one record for each person with coverage at any point during the service year.

The contractor shall devise a tracking system for documenting data submissions and provide reports from the system to the MHCC on submission status of all payers every two weeks from June 30 through August 31 of each contract year. The contractor shall develop and implement processes to ensure that data are stored securely at all times. At the

¹ There are two different proposed definitions of an eligibility record, as described in http://mhcc.maryland.gov/payercompliance/mcdb_expand/eligibility.pdf

conclusion of the data collection process, the contractor or its designate shall transfer all media to the MHCC's secure off-site storage facility².

4. The contractor shall submit a Payer Support and Data Documentation Plan to the MHCC consistent with requirements spelled out in 4.1 within 15 days of contract award. The plan shall be updated annually and each update shall be approved by the MHCC. As part of the plan, the contractor shall describe its approach for ensuring the security of the data from initial receipt through editing. The security approach shall protect the confidentiality of health care data and conform to Maryland's "The State Information Technology Security Policy and Standards", which can be accessed at <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx> and HIPAA Information Technology Security Standards shown in Appendix J.

B. Data Base Construction Plan

The contractor shall develop a Data Base Construction Plan, due 60 days after the award of the contract, and shall update this plan annually. The Data Base Construction Plan shall include—for each file—a *Data Edit and Error Resolution Plan* that describes how the data submitted by the insurers will be edited and reconciled, and a *Data Base Design Plan* that describes how the MCDB files will be created from the edited data. In addition to the private payer data, the Data Base Construction Plan shall describe the contractor's plans for the Medicare data files (see Section 4.2).

1. The contractor shall develop a *Data Edit and Error Resolution Plan* for inclusion in the Data Base Construction Plan. The *Data Edit and Error Resolution Plan* shall describe methods for editing and reconciling each of the data files to be collected in that year and list and describe the anomaly reports that will be generated during editing and reconciliation. A description of the edits currently being used on professional services is in the *Data Base Manual for Professional Services*, pages 1–16, accessible at <http://mhcc.maryland.gov/payercompliance/2009procurement>; a description of the edits currently being used on prescription drugs is in the *Data Base Manual for Prescription Drugs*, pages 1-14, accessible at <http://mhcc.maryland.gov/payercompliance/2009procurement>. The contractor shall recommend and implement additional edits beyond those currently implemented as part of the *Data Edit and Error Resolution Plan*. The contractor shall recommend edits for the institutional services and eligibility files to be collected as part of the MCDB data expansion, based on the contractor's expertise and results of the voluntary data submission.

The contractor shall assume the payers will submit files that comply with the reporting format. However, some payers will submit data with unreported implied decimals and undocumented data formats. The plan shall describe the contractor's approach for implementing error resolution processes to resolve formatting errors on the files to be collected in that year. The contractor shall establish error thresholds in the plan for the variable value edits in each data file after consulting with the MHCC. (The contractor

² The MHCC has a contract with Independent Services Corporation of Westminster, Maryland for secure off-site storage and disaster recovery.

should anticipate tightening thresholds as data quality improves over the five-year contract.)

The contractor shall develop processes that compare a payer's current submission of a particular file type (professional services, prescription drugs, institutional services, eligibility information) with the submission for the previous year. These comparisons include summary reports and data completeness reports. Summary reports compare each payer's submission in both years regarding: (1) the number of unique users and, beginning in year three of the contract, the share of enrollees who are users; (2) total and per capita payments; (3) total and per capita services; (4) total and per service RVUs; and (5) the number/share of service-users/enrollees who were covered by the payer for all or just part of the service year. Data completeness reports compare each payer's submission in both years by coverage type, delivery system type, and plan type with regard to the number of services, the number of recipients/enrollees, and total payments. Additionally, the contractor shall develop processes to evaluate the quality of each payer's financial fields (financial variable diagnostics).

The contractor shall also develop separate edit processes to assess the quality of HMO submissions for professional services, both in terms of content and completeness. HMOs must submit all fee-for-service professional service claims and encounter records for capitated professional services rendered by specialists; some payers include encounter records for capitated, routine-care services. For example, the contractor shall develop edits that assess the completeness of an HMO's professional services submission.

2. The contractor shall include in the Data Base Construction Plan a *Data Base Design Plan* that describes how the claim data obtained from payers and edited by the contractor shall be organized into a data base that will support analyses for the annual and bi-annual reports, as well as other analyses of health care cost and utilization. The *Data Base Design Plan* shall: (a) define the processes the contractor will use for continuing development of the data base; (b) describe the approach the contractor will use to maintain data base security, and (c) document the techniques that will be used to identify and correct for differences in data coding across years. The design plan shall describe the data base design and provide a data flow that details the processes the contractor anticipates following after the payer submissions have been individually edited and reconciled. The plan for assuring privacy and security shall conform to the HIPAA requirements, particularly the HIPAA requirements regarding the access and storage of indirectly identifiable protected health care information, and must address critical issues in maintaining security in a research environment. The design plan shall describe the development of the data base at the contractor's site, methods for transferring the data base to the MHCC, and details of the operation, maintenance and update process of the data base at the MHCC's site.

The *Data Base Design Plan* must describe the development of the various component files of the MCDB, which in 2008 will include the professional services, pharmacy, provider directory, and institutional services data (optional), as well as how historical data collected in years prior to the start of this contract will be maintained as future years are added. The contractor shall make annual updates to the plan over the life of the contract to reflect the

expansion of the MCDB. The plan must describe steps that the contractor will take to enable the MHCC to access all annual updates of the MCDB using the most current version of the SAS System on a LAN using the most current version of the Windows operating system. Appendix H contains a description of the current configuration of the MHCC's LAN. The data for each year will be stored in separate data files. Data element definitions will be consistent across data submissions unless specifically modified by the MHCC.

The contractor shall annually enhance the component files of the MCDB by adding a set of file-specific, analytically useful descriptive variables to the records. These variables add important descriptive information to the records that permit analyses not possible with just the variables submitted by the payers. For example, one of the descriptive variables added to the pharmacy claims is whether or not that particular prescription is for a generic drug. The set of supplemental variables for each component file shall be determined by the MHCC, in consultation with the contractor, and MHCC shall bear the expense of purchasing software applications that assign the supplemental variables, if payment for the application is required. The MHCC may vary the supplemental variable sets over time as new or better variables become available, or if the cost of obtaining a variable becomes prohibitive. The contractor shall assist the MHCC in identifying the supplemental variables with the highest value in terms of being analytically useful and low-cost. A list of the supplemental variables that have been added to each of the MCDB component files in the past can be found in Appendix G. The design plan shall describe the supplemental variables that will be added and the associated software applications that shall be used to construct these variables.

C. Data Quality Reports

The contractor shall implement a data quality and error review process based on the *Data Edit and Error Resolution Plan*. The contractor shall review the edits, correct errors, and offer recommendations to the payer and the MHCC on resolving newly discovered errors as part of this process. The contractor shall maintain documentation that describes all of the edit processes and corrective measures that have been applied to each payer's submission. The contractor shall provide the MHCC with a Data Quality Report for each data file in November of each year of the contract. The Data Quality Reports shall describe the quality of the data submitted by each payer for that particular file—including the quality of the payers' raw data submissions and the quality of the payers' data after editing—using computer generated listings in a format approved by the MHCC. These reports shall include information from the summary reports, the data completeness reports, and the financial variable diagnostics, as described in 4.1.B.

D. Data Edit and Error Resolution Report

The contractor shall deliver a Data Edit and Error Resolution Report to the MHCC upon completion of the payer data editing process. This report shall describe each payer's performance on edits, any modifications made to the *Data Edit and Error Resolution Plan* during the editing of data, and recommendations for future years. Given that information on capitated primary care services are not required and given that the use of capitation varies among plans, the contractor shall estimate the types of professional services that are missing from any particular HMO's professional services data submission and include these

estimates in the Data Edit and Error Resolution Report. The contractor shall provide individual payer-specific reports describing the payer's compliance with data submission requirements. This report shall be submitted to the MHCC in December of the year in which the data is submitted and shall be approved by the MHCC.

E. Develop the Medical Care Data Base

The contractor shall develop the data into the Medical Care Data Base according to specifications of the *Data Base Design Plan*. The contractor shall organize the primary data and the supplemental variables consistent with the plan. The contractor shall communicate every two weeks with the MHCC staff to report progress on the data base and to resolve technical issues. The meetings shall be at the MHCC's discretion, either by telephone conference or at the contractor's office. The contractor shall deliver the edited data submitted by the payers with the supplemental variables added by the contractor by January 15 of the following year. The contractor shall provide for each file a data user's manual and data documentation that describes the changes made to the submitted data and includes the program source code. If any modifications were made to the *Data Base Design Plan* in the course of developing the MCDB, the contractor shall also submit a supplement to the *Plan* that describes the modifications. All data shall be delivered in a format accessible by the most current version of SAS on a medium specified by the MHCC. The contractor shall allow the MHCC staff ninety (90) days to verify and validate the information provided in the annual updates. If errors are identified, the contractor shall provide corrected information within ten (10) days of notification by the MHCC.

4.2 MEDICARE DATA DEVELOPMENT REQUIREMENTS

The MHCC annually purchases six Medicare data files from the Centers for Medicare and Medicaid (CMS) and has plans to obtain Medicare Part D data (prescription drug claims) during the course of this contract.³ The Medicare files currently obtained by the MHCC include the physician/supplier data, MedPAR (including short-stay hospital, long-stay hospital, and skilled nursing facility services), hospital outpatient services, home health services, durable medical equipment, and the denominator file. The contractor shall perform the following activities for **each** of the Medicare data files obtained by the MHCC unless otherwise noted. The contractor shall include the methods proposed to accomplish A and B (below) in the *Data Edit and Error Resolution Plan* and the *Data Base Design Plan* components of the Data Base Construction Plan.

A. Content Verification

The contractor shall benchmark summary measures—to be proposed by the contractor in the *Data Edit and Error Resolution Plan* and agreed to by the MHCC—constructed from the files to published values and to the prior year's benchmark values to ascertain the completeness of each file and any significant annual changes.

³ Funds for the purchase of the Medicare files come from a separate account and are not part of the total funding for this contract.

B. MCDB Version

The contractor shall create a new Medicare-MCDB file composed of MCDB variables—constructed from the variables on the original CMS file—and selected Medicare variables, such as relative value units. This file will align naming and value coding conventions in the Medicare-MCDB file with those used in the private payer MCDB data. Medicare files containing beneficiary enrollment information (denominator file) or types of services not included in the MCDB data will not have a Medicare-MCDB version. The inclusion of institutional records in the MCDB will require additional Medicare-MCDB files. Medicare Part D data files will also need MCDB versions. The variables for each Medicare-MCDB file shall be proposed by the contractor in the *Data Base Design Plan* and agreed to by the MHCC. The data for each year will be stored in separate data files.

The Medicare-MCDB file design and delivery requirements shall conform to the requirements spelled out in Part I, subsections 4.1.B and 4.1.E.

All design plans and quality reports required under Part 1, Section 4.1 and 4.2 of the RFP shall be submitted in paper and in electronic format using Microsoft Office products and Adobe Acrobat as appropriate for the specific deliverable.

4.3 INFORMATION TO BE COLLECTED BY THE CONTRACTOR

In addition to the data files described under 4.1 and 4.2., report development will require supplemental data and information. This includes information needed to structure the analysis and for text development, as well as data for analysis. The information to be collected by the contractor for any particular report shall be determined by the report's finalized design (see 4.4.A, design document). The contractor shall obtain and evaluate the supplemental information and data specified for a report if it is publicly available at minimal expense. Examples of such data/information could include data/information from the Agency for Healthcare Research and Quality (AHRQ), CMS, the Federal Office of Personnel Management, the Maryland Insurance Administration, and the Maryland Medical Assistance Program (Medicaid). The MHCC will assist the contractor in obtaining information/data from State agencies, if needed.

A. Information/Data For The Report On Health Care Expenditures Comparisons (HCEC)

Information/data collected by the contractor shall comprise the primary sources of information/data for the report comparing health care expenditures in Maryland to other states/markets. These information/data sources shall be specified in the HCEC Data Collection Plan proposed by the contractor and accepted by the MHCC.

1. The Contractor shall submit a HCEC Data Collection Plan that details the contractor's proposed comparisons for the report and the measures to be utilized in these comparisons. The plan shall describe how the measures will be constructed and the information/data to be used for each measure, including the advantages (and disadvantages) that make the proposed comparisons and measures suitable for the report. The proposed measures, and

the information/data on which they are based, shall be suitable for use in time series comparisons. The plan shall identify information/data sources and the data years to be collected, and propose a calendar for collecting the data/information and developing the measures. The plan shall also include methods proposed for insuring the quality of the information/data collected and the quality of the comparison measures. The contractor shall submit the HCEC plan to the MHCC for acceptance within 45 days of the start of the contract and by August 1st in contract years three and five. The plan must identify alternative data/information sources or measures if it is possible that the primary source for a measure may not be available in accordance with the contractor's calendar. The contractor shall assist the MHCC in improving the HCEC report by recommending and implementing improvements in the comparisons, measures, and/or data/information sources. The MHCC could choose to implement some or all of the proposed improvements in the contractor's plan.

2. After the approval of the HCEC Data Collection Plan by the MHCC, the contractor shall collect information/data from the sources identified in the plan and develop the measures as specified in the plan. The contractor shall communicate every two weeks with the MHCC staff to report progress on the information/data collection and development of the measures to resolve technical issues.

3. The contractor shall deliver the comparison measures and documentation detailing the construction of the measures to the MHCC by January 15th of contract years one, three, and five. The data format(s) for the comparison measures will depend upon the measures; the data format(s) shall be specified in the HCEC Data Collection Plan proposed by the contractor and accepted by the MHCC.

B. Additional Information

The contractor shall document existing research and data sources consulted in any analyses conducted under the contract or in any reports or studies conducted under the contract.

4.4 ANALYTICAL REPORT DEVELOPMENT

The contractor shall prepare two analytical reports each year based on information collected and developed under subsections 4.1–4.3 and supplemental data and information. A report that examines the utilization of and expenditures for privately insured professional health care services, based primarily on information contained in the MCDB, shall be produced each year. The second report will be one of two new reports that will comprise a new report series—described below—that will replace the MHCC's current annual state health expenditure report. The MHCC is interested in having analytical reports that provide useful information to public and private policymakers, health care providers, private and public purchasers, and consumers. The analytical reports must recognize statutory reporting requirements and make use of data either collected by the MHCC or accessible to the MHCC. See subsection 5.0 for a complete schedule of deliverables for subsection 4.4.

An annual, analytical report on Professional Services Payments and Utilization shall present information on the volume, mix, and cost of professional health care services

received by privately insured, nonelderly residents of Maryland. The MHCC is required by law to report on expenditures by procedure and by practitioner specialty for Maryland and for some smaller geographic areas, as determined by the MHCC. This report is scheduled for release in the spring of each year. It examines per capita utilization of and expenditures for professional services 1) by payer and patient characteristics, and 2) across years and geographic locations. This report also examines trends in payment per service unit. It uses the Medicare fee schedule to benchmark private sector payment rates in Maryland to Medicare rates in the State and to provide a uniform measure of service intensity for comparisons of rates by provider and patient characteristics. It also compares private rates in Maryland to private rates paid in other regions of the U.S. Please note that sources of information on private insurer payment rates in other states/regions are to be identified by the contractor. Beginning in year 2 of the 5 year contract, MHCC expects to examine spending trends overall, for demographic subpopulations, and for different geographic markets to the extent comparative information is available.

The second analytical report will be one of two new reports that comprise a new report series. The first report in the series, to be produced in years one, three, and five and scheduled for release in the spring of these years, will examine Maryland's health care market/system in comparison to the nation and similar state markets using per capita spending measures based on consistent spending information. This report will include comparisons of spending for the privately insured and for Medicare beneficiaries. As this report matures, the MHCC expects to examine spending trends overall, for demographic subpopulations, and for different geographic markets. The states/regions selected for comparison with Maryland will be those likely to be of interest to public and private policymakers in Maryland due to the performance of their health care systems and their similarity to Maryland in key characteristics, such as household income. The pattern of health care spending in elderly Medicare beneficiaries provides a way to compare the health care delivery system in Maryland to those in other states. Key features of Medicare—a uniform benefit package, payment rates that recognize underlying cost differences, and similarly high rates of chronic diseases among the elderly regardless of geographic location—make Medicare spending a suitable measure for comparing delivery systems in different states.

The second report in the new series, to be produced in years two and four and scheduled for release in the summer of these years, will focus on spending patterns for the privately insured under 65 population. The focus of this report will be on spending per capita for the market overall and for segments of the market of high interest to policy makers including the individual market (both medically underwritten and high-risk), small group, and large groups. An analytical report on privately insured health care utilization shall be produced in years two and four; this report is scheduled for release in the summer of these years. It will rely mainly on information contained in the MCDB files to study per capita expenditures by the privately insured, with the analyses in each report dependent on the MHCC's interests in that year. The study topics may be broad—such as the mix of services being utilized—or more narrowly focused to study utilization and expenditures in patients with a particular condition or those who received a particular type of drug or service.

A. Design Reports

The contractor shall submit to the MHCC a design document for each analytical report. The design document shall describe the major messages of the report and provide a detailed analysis plan and report outline. The analysis plans and report outlines must meet the objectives listed for each report at the start of subsection 4.4 and the MHCC's statutory reporting requirements for the professional services report. Proprietary data sources or software proposed by the contractor for use in report analyses are subject to approval by the MHCC. The contractor shall indicate the likely expense for any proposed proprietary data or software in the design document.

The contractor shall assume that the development of the design document for an analytical report will be an iterative process beginning with an initial planning meeting between the contractor and the MHCC. During this initial planning meeting, the relationship between the report objectives and the potential analyses will be clarified and specific analyses will be discussed. The contractor shall develop the report design documents, with draft analysis plans included, for MHCC review. No report design document will be approved until the final analysis plans are submitted to MHCC.

The contractor shall submit a draft design document for each report that describes how the analyses will be conducted and how the report will be organized. The analysis plan shall identify any methodological issues, describe possible options, and recommend suitable solutions. The design document for the Professional Services Payments and Utilization Report must include data summary and data completeness documentation (subsection 4.1.B) for the particular analysis files (subset from the larger MCDB files) specified for the report. The MHCC will respond to the draft design document within five (5) working days of receipt of the draft. The contractor shall modify the draft after receiving the MHCC feedback and shall submit a final design document that incorporates the MHCC recommendations for final approval. The MHCC may request an additional draft if the final design document will lead to a report that will not meet the MHCC report objectives or statutory reporting requirements.

B. Produce Analytical Reports

The contractor shall analyze the various data files and information collected and constructed under Part I, subsections 4.1–4.3, along with other information/data agreed to by MHCC, to produce the analytical reports. Each analytical report may be submitted up to three (3) times for review by the MHCC. The final versions of these reports shall be delivered according to the schedule established by the MHCC, but no later than 14 days prior to a report release date. The contractor shall deliver publication-quality final drafts using the MHCC formatting and style specifications. All documents shall be delivered in draft in Microsoft Word, with final reports delivered in Adobe InDesign version CS3 or higher (Windows version), unless otherwise specified by MHCC. All documents shall be compatible with the Microsoft Windows XP or higher operating system.

4.5 SPECIAL POLICY AND DATA QUALITY STUDIES

At the direction of the MHCC, the contractor shall examine a policy or data issue in greater detail. Up to five of these special studies will be generated over the course of the five year contract. These investigations will be aimed at resolving data quality questions affecting a payer or a class of payers, expanding the current approaches for disseminating information, or addressing a specific policy question not considered in the annual reports. The MHCC will submit a request for a special study cost estimate prior to initiating any work under this subsection. These studies will be conducted on a unit work basis using the labor categories identified in Part II, subsection 2.1.D of this RFP. No special study work shall be paid without the submission of a special study analysis and staffing plan and written approval of the contract monitor.

4.6 TRANSITION PLANNING

The MHCC wishes to maintain a smooth transition of activities between the end of the current contract and the start of the new contract. (See Part II, subsection 2.1.B.) If the successful vendor is not the incumbent contractor, the contractor shall provide the MHCC with a Transition Plan within 10 working days of the start of the contract that outlines the steps needed to move historical data files and documentation from the offices of the previous contractor. This Plan shall also include the contractor's approach to achieving an efficient collaboration between the new and prior contractors during the transition. The contractor shall fully cooperate with any outgoing/incumbent contractor at the time of contract commencement and/or any incoming/subsequent contractor at the time of contract termination.

4.7 PERSONNEL REQUIREMENTS

The offeror's personnel shall be comprised of the following staff.

Project Co-Director, Data Base Administration – This co-director will provide technical leadership, quality assurance, and corporate oversight for the construction and development of the MCDB and appropriate use of MCDB data in the analytical reports. This individual must be sufficiently senior in the contractor's organization to provide access to corporate leadership, hold an advanced degree (MA or above), with a minimum of 10 years experience with organizations conducting research and at least 8 years experience in the design and management of large health care research data bases constructed from Medicare or private insurer claims data for professional, institutional, and pharmaceutical services using the SAS System. The individual must have 5 years experience in directing contracts with multiple simultaneous projects. This Co-Director shall have at least 8 years experience supervising senior staff in the development of health policy and clinical information systems based on claims data. This Co-Director must possess both complementary and overlapping expertise with the Project Co-Director for Analytical Studies, including familiarity with patient classification systems and knowledge of statistical techniques commonly used in health services research.

Senior Data Base Manager – A senior database programmer/analyst with at least 8 years

experience in database management, database programming using SAS and SQL, and statistical analysis using SAS for organizations conducting health care research, with at least 5 years in the administration of health care data collection and database development efforts. This individual's experience must demonstrate proficiency in very large health care-related database creation, health care database editing, quality assurance, and database documentation. This individual must possess and demonstrate detailed knowledge of coding systems such as ICD-9-CM, CPT-4, and HCPCS, and payer specific coding issues.

Project Co-Director, Analytical Studies – This co-director will provide technical leadership, quality assurance, and corporate oversight for the planning and production of the analytical reports. This individual must be sufficiently senior in the contractor's organization to provide corporate oversight and a senior study director with an advanced degree (MA or above) and a minimum of 10 years experience in organizations conducting health care research, with experience designing, conducting, and directing analytical studies of health care spending and utilization that resulted in written reports, issue briefs, or published studies. This Co-director is responsible for insuring the analytical studies are well designed, completed on schedule, and well written. Because this position serves as the senior editor for the analytical publications, this individual must demonstrate his or her ability to serve as an analytical study author through submission of several written examples similar to the analytical products outlined in Part I of this RFP.

Senior Project Manager – A project manager/senior analyst with an advanced degree (MA or above) in health economics, health policy, or a related field, at least 8 years experience conducting studies on health care utilization and expenditure issues, and a proficiency in a specific subject area relevant to the analytical reports, such as delivery of professional services by practitioner specialty, provider reimbursement issues, use of health insurance claims data in analytical studies of health care spending and utilization, use of per capita measures of spending and utilization in comparisons of health care markets/systems, and examination of health care spending trends. Proficiency in an area requires both knowledge of the relevant conceptual issues for that subject area and demonstrated analytical experience in that subject area encompassing study design, data analysis, and written interpretation of results. A senior project manager must have served as a principal investigator on studies in the subject area and authored written reports/issue briefs on these studies. Experience must include creation of analysis files and analysis variables using SAS and use of SAS statistical programming (including regression analysis) in data analysis.

Programmer/Analyst- A technical programmer/analyst with knowledge of health research information systems and at least 5 years experience manipulating and analyzing large health care claims files for health research projects using SAS. This individual must have knowledge of health research information systems, knowledge of coding systems such as ICD-9-CM, CPT-4, and HCPCS, and payer specific coding issues. Experience must include creation and maintenance of analysis files and analysis variables, use of complex data file merges, and production of descriptive statistics using SAS.

Desktop Publishing and Publication Design Specialist – Technical staff with at least 5 years

experience in designing publications for print and Internet publication. The individual must have 5 years experience with Adobe Desktop publishing applications including InDesign, Illustrator, and Acrobat in a Windows environment.

Editor – This individual will be responsible for editing the analytical reports and studies to improve the formatting, style, and accuracy of the final manuscript. The copy editor shall ensure that the text flows, and that all information in the text and figures/tables is clear, comprehensible, and consistent. This individual must have at least 8 years of copy editing experience in analytical publications with at least 5 years experience editing health care related analytical studies.

4.8 OTHER REQUIREMENTS

A. Monthly Progress Reports

The contractor shall provide monthly progress reports due by the 15th day of each month detailing accomplishments, problems encountered, and the contractor's compliance with the deliverable schedules. The progress reports will be electronic documents in Microsoft Office formats.

B. MBE Participation Compliance

The contractor shall submit monthly to the MHCC two reports documenting the contractor's compliance with certified MBE subcontract requirements. The Prime Contractor Unpaid MBE Invoice Report (Appendix L: MBE Attachment G) shall list any unpaid invoices, over 30 days old, received from any certified MBE contractor, the amount of each invoice and the reason payment has not been made. A Subcontractor Payment Report (Appendix L: MBE Attachment H) shall be provided by each MBE subcontractor to the contractor for submission to the MHCC. This report shall list all payments received by the MBE subcontractor from the main contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.

C. Reports and Deliverables

The contractor shall prepare and deliver to the MHCC three (3) copies of any report or deliverable required to fulfill this contract. Except for the InDesign versions of the reports and deliverables, all documents provided to the MHCC by the contractor shall be stored in Microsoft Office formats (WORD and EXCEL).

D. Data Use Agreement & HIPAA Security Recommendations

The contractor shall sign a data use agreement (Appendix I) and will be added to the data use agreement MHCC has with CMS before data is provided to the contractor. The data use agreement limits the ways in which the contractor may use the data and requires the return/destruction of any MHCC-provided data held by the contractor. Additionally, the contractor shall comply with HIPAA Security Recommendations, summarized in Appendix J and Maryland's "The State Information Technology Security Policy and Standards," which can be accessed at <http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx>. The contractor shall comply with CMS requirements for handling confidential data and shall submit the documents needed for the CMS data use agreement.

E. Ownership Of Data, Information, And Reports

1. Any data, information, and reports collected or prepared by the contractor in the course of performing its duties and obligations under a contract resulting from this RFP shall be deemed to be owned by the MHCC. The ownership provision is in consideration of the contractor's use of public funds in collecting or preparing such data, information, and reports. These items shall not be used by the contractor for any independent project of the contractor or publicized by the contractor without written permission from the MHCC. Subject to applicable state and federal laws and regulations, the MHCC shall have full and complete rights to reproduce, duplicate, disclose, and otherwise use all data, information, and reports. At the termination of the contract, the contractor shall make available all data, information, and reports to the MHCC or the MHCC-designated contractor within thirty (30) days following termination of the contract or such longer period as approved by MHCC.
2. Except as otherwise provided in this subsection, if any copyrightable or patentable material is developed by the contractor in the course of the performance of a contract resulting from this RFP, the MHCC and the State of Maryland shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work, and authorize others to do so.

5. SUMMARY OF DELIVERABLES

The table below lists the deliverables required for the Tasks described in Part I, Section 4 and their submission deadlines. The table also lists the subsection of Part I, Section 4 in which the deliverable is described.

Satisfactory completion of a deliverable will primarily be determined by whether the content of the deliverable matches the content requirements for that deliverable, as spelled out in the portion of Part I, Section 4 where the deliverable is described. Satisfactory completion of the Professional Services Report, the HCEC Report, and the Privately Insured Health Care Utilization Report will be determined by comparing the content of the report to the design document for the report that was submitted by the contractor and accepted by the MHCC. For the special policy and data quality studies that might occur during the course of the contract, successful completion will be determined by comparing the content of the report for a study with the special analysis and staffing plan submitted by the contractor and accepted by the MHCC for that study. Payment for a special study will be made only after the report for the special study has been accepted by the MHCC.

Each analytical report or special study that will be released to the public may be submitted up to three times for review by the MHCC. For draft analytical or special study reports not accepted by the MHCC, the MHCC will provide feedback to the contractor regarding what needs to be added or revised in content, lay-out, or both to be acceptable. This feedback, however, will be broad; it is the MHCC's expectation that the contractor will have the staff to produce a publication quality document without the direct involvement of the MHCC staff.

For the other deliverables (excluding the monthly reports) that will not be based on a design document or analysis plan submitted by the contractor and accepted by the MHCC, at least one planning meeting will be held with the contractor to provide guidance in the development of the deliverable. It is the MHCC's expectation that these deliverables, as well as the monthly reports, should be of sufficient quality in content and formatting to be acceptable on initial submission by the contractor, unless indicated as a "draft" document by the contractor.

Many of the deliverables listed below—or similar deliverables—have been submitted to the MHCC by prior contractors. The MHCC will make these past reports available to the contractor. (Most of these deliverables are not available in electronic format and are not posted to the MHCC website; an exception is the Practitioner Services Utilization Report, http://mhcc.maryland.gov/health_care_expenditures/exputil2008/report.pdf, which is similar to the Professional Services Report deliverable.) However, there are no examples for the HCEC and Privately Insured Health Care Utilization Reports because they are new requirements for this contract.

Task	Deliverable	Deadline
4.1	Private Insurer Data Requirements	
4.1.A	Payer Support and Data Documentation Plan	15 days after SOC*, updated annually
4.1.B	Data Base Construction Plan (including Data Edit and Error Resolution Plan and a Data Base Design Plan for each file)	60 Days after SOC, updated annually
4.1.C	Data Quality Reports (one per file)	November, each year`
4.1.D	Data Edit and Error Resolution Reports (one per file)	December, each year
4.1.E	Deliver edited MCDB files, including Medicare-MCDB files, with a Data Users Manual and Data Base Documentation for each file, and a Supplement to the Data Base Design Plan, if needed	January 15, each year
4.2	Medicare Data Requirements	
4.2.A, 4.2.B	Chapter(s) for inclusion in the Data Base Construction Plan (see 4.1.B)	See 4.1.B
4.2.B	See 4.1.D	See 4.1.D
4.3	Information to be Provided by the Contractor	
4.3.A.1	Health Care Expenditure Comparisons (HCEC) and Data Collection Plan	45 days after SOC (year one); updated in years three and five by August 1 st
4.3.A.3	Deliver HCEC measures and documentation	January 15, years one, three, and five
4.4***	Report Development	
4.4.A	Submit Design Document for Professional Services Report	November 1, each year
4.4.B	Deliver Final Draft of Professional Services Report	15 days prior to MHCC March meeting
4.4.A	Submit Design Document for HCEC Report	October 1, years one, three, and five
4.4.B	Deliver Final Draft of HCEC Report	15 Days prior to MHCC February meeting, years one, three, and five
4.4.A	Submit Design Document for Privately Insured Health Care Utilization Report	March 15, years two and four
4.4.B	Deliver Final Draft of Privately Insured Health Care Utilization Report	15 days prior to MHCC June meeting, years two and four

4.5	Special Policy and Data Quality Studies	
4.5	Special Policy and Data Quality Studies	As needed approximately 90 days after issuance of SOW**
4.6	Transition Planning	
4.6	Transition Plan	10 days after SOC
4.8	Other Requirements	
4.8.A	Monthly Progress Reports	Monthly, 15 th day of the following month
4.8.B	MBE Compliance report	Aug. 15 for preceding contract period

*SOC – Start date of contract

**SOW – Statement of work

*** **Note: two reports are due each year.** The Professional Services Report is produced annually; the second report will alternate between the HCEC Report (in years one, three, and five) and the Privately Insured Health Care Utilization Report (in years two and four).

PART II ORGANIZATION OF PROPOSAL

1. GENERAL FORMAT

1.1 TWO-PART SUBMISSION

A. Offerors shall submit in separate sealed envelopes technical and financial proposals in the following manner:

1. One (1) original (to be so labeled) and eight (8) copies (one unbound and marked "PIA Copy")* of the technical proposal in a sealed envelope clearly labeled "Technical Proposal"; and
2. One (1) original (to be so labeled) and eight (8) copies (one unbound and marked "PIA Copy")* of the financial proposal in a sealed envelope clearly labeled "Financial Proposal".

*(See Part IV, Section 1.4 for an explanation of this Public Information Act (PIA) copy)

B. Each envelope shall, in addition, be labeled with the following:

1. The offeror's name and business address;
2. The due date/time for receipt of proposals; and
3. The title of the RFP.

C. All pages in the technical proposal must be numbered, either consecutively from beginning to end, or consecutively by section.

1.2 TRANSMITTAL LETTER

Technical proposals are to be accompanied by a brief transmittal letter prepared on the offeror's letterhead, and signed by an individual who is authorized to commit the offeror to the services and requirements as stated in the RFP and proposals. This transmittal letter shall include:

- A. The name, title, address, telephone number, and electronic mail address of the person authorized to bind the offeror to the contract, and who will receive all official notices concerning this RFP.
- B. The Offeror's Federal Tax Identification Number or Social Security Number.
- C. Acknowledgement of the receipt of any amendments/addenda to the RFP.

2. VOLUME I: TECHNICAL PROPOSAL

2.1 FORMAT AND CONTENT

Proposals shall be clear and precise and shall affirmatively address all appropriate points of this RFP except the financial information. All offerors shall present their technical proposal in the following manner:

Statement of the Problem

Proposed Work Plan

Corporate Qualifications

Experience and Qualifications of the Proposed Staff

Economic Benefit to the State of Maryland

To assist in preparing this volume, offerors are furnished the following information.

A. Statement of the Problem

The “Statement of the Problem” should demonstrate clearly the offeror’s understanding of the critical issues associated with the main objectives of this RFP. This section should exhibit an understanding of the purpose of the data collection from payers and describe the purpose of each of the three main analytical reports. This section should identify for each of the main deliverables, including the development of the various MCDB files and each of the three analytical reports, the likely problems that will need to be addressed by the offeror.

B. Proposed Work Plan

This section should contain a definitive description of the offeror's proposed plan to meet the requirements of the RFP. It should include a detailed description of the likely methods and techniques the contractor would utilize in addressing all requirements outlined in Part I, Section 4. This section shall include:

1. A scheduling matrix of contractor/subcontractor staff utilization in hours for meeting the requirements in Part I, Section 4., which should sum to the total staff hours that will be allocated to this contract;
2. A list of the contractor/subcontractor staff with the percent of their total work time that will be dedicated to this contract during the duration of the contract, e.g., 50% for someone who is available to spend half of their time working on this contract.
3. Any provisions or input which the offeror will require from MHCC.

The proposed work plan should also demonstrate the capability of the offeror to successfully manage the overall project and subordinate tasks while meeting the deadlines established in Part I, Section 4. The work plan should include an outline of the management practices employed by the firm and a project management plan. The project management plan should include control mechanisms used for projects requiring varying staff skill mixes and changing workloads over five years, including a description of how subcontractors will be managed.

If your firm is not the incumbent contractor, please describe your approach to transitioning the work envisioned in this RFP to your organization.

C. Corporate Qualifications

This section should describe the overall capabilities of the offeror and subcontractors to complete the work. Please include descriptions of selected contracts/grants for other clients involving analysis of Medicare eligibility and claims files, and private insurer eligibility and claims files for those services identified in this RFP as comprising the MCDB, which

were successfully performed by the offeror, as well as the process the organization used to ensure that delivered products met customer needs.

A minimum of three references from firms, organizations, etc. for whom recent work of a similar or related nature to this RFP was completed should be included. Each reference should identify the name of each organization, point of contact and telephone number. The MHCC shall have the right to contact these or any other references of its choosing, as part of the evaluation and selection process, or not to contact some or all references if deemed appropriate.

The Offeror shall provide documentation of Fiscal Integrity as specified by, but not limited to, the following:

1. Recently audited (or best available) financial statements;
2. Successful financial track record;
3. Adequate work capital;
4. Lines of credit.

The Offeror shall provide a Legal Summary that includes:

1. A statement as to whether there are any outstanding legal actions or potential claims against the offeror and a brief description of any such action.
2. A brief description of any settled or closed legal actions or claims against the offeror over the past five (5) years.
3. A description of any judgments against the offeror within the past five (5) years, including the case name, court number, and what the final ruling or determination was from the court.
4. In instances where litigation is ongoing and the offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.

D. Experience and Qualifications of the Proposed Staff

This section should describe how each proposed staff member's experience relates to her/his specific responsibilities as detailed in the work plan for this procurement. In addition, please describe experience that proposed staff have had working together with other clients. All subcontractors must be identified and a detailed description of their contributing role relative to the requirements of the proposal should be included in the proposal.

This section should include individual resumes for the proposed contractor/subcontractor personnel who are to be assigned to the project if the offeror is awarded a contract. Each resume should include the amount of experience the individual has had relative to the work called for in this solicitation. The offeror may propose more than one individual for each category, although all proposed staff must be firmly committed. The offeror's policy staff should have, as a group, the expertise to analyze issues pertaining to overall health care spending and more specific health care professional and prescription drug spending and utilization.

The format for the resumes of the proposed staff is listed below. Letters of intended commitment to work on the project from all key personnel, including subcontractors, should be also be included with the proposal.

1. Name
2. Current Position and Years with Organization
3. Proposed Position on this Contract
4. Description of Previous Related Experience
5. Educational Training
6. Publications

E. Economic Benefit to the State of Maryland

This section should describe the benefits that will accrue to the Maryland economy as a direct or indirect result of offeror's performance of the contract resulting from this RFP. Do not divulge your financial proposal when describing economic benefit. Use percentages or other descriptive language in responding to items listed below.

Economic benefits include:

- The contract dollars to be recycled into Maryland's economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a breakdown of expenditures in this category.
- The number and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to which the contractor has committed at both prime and, if applicable, subcontract levels.
- Tax revenues to be generated for Maryland and its political subdivisions as a result of the contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
- Subcontract dollars committed to Maryland small businesses and MBEs. (These are a subset of the total dollars included in the first item.)
- In addition to factors listed above, the offeror should explain any other economic benefits to the State of Maryland that would result from the offeror's proposal.

2.2 SUMMARY OF ITEMS TO BE SUBMITTED WITH THE TECHNICAL PROPOSAL

- A. Bid/Proposal Affidavit (see Appendix B);
- B. Confidentiality Statement with Justification (Identify any sections of the technical proposal that are considered "trade secrets" and/or confidential or proprietary information. For a detailed explanation of this requirement, see Part IV, Section 1.4);
- C. MBE Utilization and Fair Solicitation Affidavit (MBE Attachment A, Appendix L);

- D. Fiscal Integrity Documentation
- E. Legal Action Summary
- F. References
- E. Organizational Chart
- G. Past State Experience
- H. Living Wage Affidavit

NOTE: If an offeror fails to submit MBE Attachment A at the time of submittal of the offer as required, the Procurement Officer will deem the offer not reasonably susceptible of being selected for award of contract.

3. VOLUME II: FINANCIAL PROPOSAL

3.1 FORMAT AND CONTENT

All price information shall be entered on Appendix D: "Financial Proposal Sheets D-1, D-2 & D-3" under separate sealed cover as described in Section 1.1 above. The fixed work consists of work described in Part I, Sections 4.1–4.4, 4.6–4.7. The Special Studies described in Part I, Section 4.5 will be paid on a unit work basis using labor rates provided by the Offeror in Appendix D-3. For pricing purposes, the Offeror shall assume that 300 hours of special study work will be conducted in a contract year.

This volume **MUST** contain the following sections:

A. The Financial Proposal Summary Sheet (Appendix D-1) must be completed and submitted in duplicate, each with the original signature of an individual authorized to bind the offeror to the prices proposed. The "Total 5 Year Contract Price" stated on this form will be the price used for comparison, evaluation and recommendation for contract award.

B. The Financial Proposal Detail by Task Sheet (Appendix D-2) presents the detail by tasks to support the Prices proposed on the Financial Proposal Summary Sheet (D-1). These line item prices will be used for contract management purposes and for invoicing/payment purposes, but will not be individually compared as a basis of award. The prices shown must reflect all expenses that the Offeror intends to invoice if awarded the contract.

C. The Financial Proposal–Special Study Unit Work Sheet (Appendix D-3), which specifies the Hourly Rates for the six (6) labor categories required.

3.2 SUMMARY OF ITEMS TO BE SUBMITTED WITH THE FINANCIAL PROPOSAL

- A. MBE Participation Schedule (MBE Attachment B, Appendix L)
- B. Confidentiality Statement with Justification (Identify any sections of the financial

proposal that are considered "trade secrets" and/or confidential or proprietary information. For a detailed explanation of this requirement, see Part IV, Section 1.4 Confidentiality of Proposals).

NOTE: If an offeror fails to submit MBE Attachment B at the time of submittal of the offer as required, the Procurement Officer shall deem the offer not reasonably susceptible of being selected for award of contract and the proposal will not be further considered.

PART III

EVALUATION AND SELECTION PROCEDURE

1. EVALUATION COMMITTEE

The evaluation of proposals will be conducted by a committee established by the MHCC. Proposals will be reviewed as a preliminary matter by the Procurement Officer to determine if they meet any minimum requirements set forth in the Key Information Summary and Part I, Section 1.0, and if the required MBE documentation is included. Offerors that do not submit a properly completed and signed *MBE Utilization and Fair Solicitation Affidavit*, (MBE Attachment A, Appendix L) with their technical proposal will be found not reasonably susceptible for award. Proposals that do not meet the minimum requirements, or are otherwise found not reasonably susceptible for award will not be considered further and the financial proposal will be returned unopened. During the evaluation process, the committee may request technical assistance from any source. Technical proposals will be evaluated in accordance with the criteria listed in Part III, Section 1.1 below.

The financial proposals will not be distributed to the committee until the technical evaluation is completed. Alternatively, a separate committee may be established to evaluate financial proposals concurrently with the committee that is evaluating the technical proposals. In this case, the separate committees may have no contact with each other until the time that both committees have completed their assigned tasks.

1.1. EVALUATION CRITERIA

The evaluation criteria set forth below are arranged in descending order of importance. (Therefore, category A is more important than B and B is more important than C.)

A. EXPERIENCE AND QUALIFICATIONS OF THE PROPOSED STAFF

1. Experience analyzing health care claims files and interpreting the results, especially using Medicare and private insurer professional services claims, hospital inpatient and outpatient claims, and prescription drug claims;
2. Experience identifying disease-specific patients and use of particular health care services as reflected in health care claims data;
3. Experience of the co-director and data base manager in the development, design, testing, and operation of research data bases developed from public and private payer claim data;
3. Experience of the co-directors in leading multi-disciplinary teams and working efficiently in complementary roles;
4. Experience of the analytic and programming staff in conducting analytical studies of health care use based on multi-payer claims data systems;
5. Experience of the analytic staff in writing health policy reports and concise research briefs for technical and/or general audiences;
6. Health care research articles by the senior program managers and co-director, analytical studies published in peer-reviewed journals; and

7. Experience using the SAS System to manipulate large data bases and documentation of the programming algorithms.

B. WORK PLAN

1. Creativity and flexibility of approach for defining and producing the Analytical Reports;
2. Approach to efficiently processing payer submissions and assessing accuracy and completeness of data submissions;
3. Approach to data base design and development that will meet varied analytic and dissemination needs;
4. Approach to identifying quality problems and improving the quality of the data submission over the five year contract; and
5. Efficiency and consistency of the contract and project-specific management approach given the requirements under the contract.

C. CORPORATE QUALIFICATIONS

1. Experience conducting health care policy or clinical research contract work with data base development, statistical analysis, analytic requirements;
2. Experience producing publicly distributed, written reports and articles in peer-reviewed journals from health care related studies conducted by the contractor;
3. Experience constructing and maintaining very large analytical data bases derived from multi-payer health care claims;
4. Experience analyzing complex, federal survey data such as MEPS and the CPS and adapting survey results for state-specific analyses ;
5. Demonstrated commitment to providing quality services;
6. Demonstrated ability to manage resources to produce deliverables within costs and on schedule; and
7. Sufficient facilities and personnel to complete the tasks.

D. STATEMENT OF THE PROBLEM

1. The offeror's understanding of how the data collection and reporting efforts are related and fit into the MHCC's overall mission;
2. Description of the key issues that will need to be addressed in the development and maintenance of the claim and eligibility files that comprise the MCDB; and
3. Description of the key issues in the design and production of the Professional Services Report, the Health Care Expenditure Comparisons Report, and the Private Insured Health Care Utilization Report.

E. ECONOMIC BENEFIT

1.2. EVALUATION PROCESS

The Procurement Officer will first determine if all minimum requirements as specified in

the RFP, if any, have been met, including submission of a completed *MBE Utilization and Fair Solicitation Affidavit* (MBE Attachment A) in cases where a subcontracting goal has been established. Any technical proposal that does not include a completed *MBE Utilization and Fair Solicitation Affidavit* (MBE Attachment A) will be determined “not reasonably susceptible for award of contract.” Any offeror who does not meet minimum requirements will be declared “not responsible.” If either determination is made at this point the offeror’s proposal will be returned without opening the financial portion. The committee will then evaluate each technical proposal using the evaluation criteria set forth above. As part of this evaluation, the Committee may hold discussions with all qualified or potentially qualified offerors (see Section 1.3 below). Only those offerors whose technical proposals are ultimately deemed reasonably susceptible of being selected for award and who are determined “responsible” will be considered “qualified offerors.” Accordingly, if the committee, with the concurrence of the Procurement Officer, determines at any time that an offeror is not reasonably susceptible of being selected for award, or the Procurement Officer determines an offeror not to be responsible, that offeror will be notified and the financial proposal returned unopened if possible.

Following the completion of the technical evaluation of all offerors, including any discussions, the committee will rank each qualified offeror's technical proposal. Unless there is a separate evaluation team to review financial proposals, the financial proposal of each qualified offeror will then be distributed to the committee. If an MBE subcontracting goal has been assigned to the solicitation, the Procurement Officer will first determine if a completed *MBE Participation Schedule* (MBE Attachment B, Appendix L) has been included with the financial proposal. If not, the entire proposal will be declared “not reasonably susceptible for award of contract,” and will not be given further consideration. The committee may then reenter into discussions concerning the qualified proposals. Unless already evaluated by the financial team, at this point the committee will rank each offeror's financial proposal from lowest to highest cost to the State. Then, if it is determined to be in the best interest of the State, the Procurement Officer may invite offerors to make final revisions to their technical and/or financial proposals through submission of a Best and Final Offer (See Part III, Section 1.4).

The committee will recommend the offeror whose overall proposal provides the most advantageous offer to the State considering price and the evaluation criteria set forth in the RFP. In the case of multiple awards the next advantageous, and the next after that up to the number stated in Part I, Section 1.0, will also be recommended. In arriving at this recommendation, the technical proposal will be afforded more weight than the financial proposal. If, however, the technical ranking is essentially equal for two or more offerors, the cost as described in the financial proposal may become the primary determinant of award.

As permitted by COMAR 21.05.03.03A(6), the Procurement Officer and agency head may accept or decline any or all recommendations from the committee. Nevertheless, in each case, the criteria set forth in Part III, Section 1.1 will govern decisions.

The MHCC will notify all offerors of the outcome of the solicitation. If an MBE

subcontracting goal was established for this solicitation, the notification will include instructions and the deadline for the recommended offeror to submit the remaining MBE documentation: *Outreach Efforts Compliance Statement* (MBE Attachment C) and *MBE Subcontractor Project Participation Statement* (MBE Attachment D). Once all contract approvals have been obtained, notice of award of the contract will be published by the MHCC in the Maryland eMM.

1.3 DISCUSSIONS / REVISIONS

The Evaluation Committee may enter into discussions with qualified or potentially qualified offerors as set forth in COMAR 21.05.03.03.C. Discussions, however, need not occur (See COMAR 21.05.03.02.A (4)). Offerors may be asked to participate in face-to-face discussions with the committee or other State representatives concerning either or both their technical or financial proposals. Discussions may also be conducted via teleconference or may take the form of questions to be answered by the offerors and conducted by mail, E-mail, or facsimile transmission at the discretion of the Department.

1.4 BEST AND FINAL OFFERS

When it is deemed in the best interest of the State, the Procurement Officer may permit qualified offerors to revise either their initial technical or initial financial proposal or both initial proposals by submitting a Best And Final Offer (BAFO). The Procurement Officer shall notify each qualified offeror of the scope of the requested BAFO, and shall establish a date and time for the offeror's submission. The Procurement Officer may require more than one series of discussions and BAFOs for either or both proposals if the agency head or designee makes a determination that it is in the State's best interest to conduct additional discussions or change the Department's requirements and require another submission of a BAFO. If more than one BAFO is requested, an offeror's immediate previous offer shall be construed as its best and final offer unless the offeror submits a timely notice of withdrawal or another BAFO. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

1.5 DEBRIEFING OF UNSUCCESSFUL OFFERORS

Unsuccessful offerors shall be debriefed upon their written request to the Procurement Officer. The Commission shall honor requests for debriefings at the earliest permissible time.

1.6 PROTESTS

The State of Maryland provides formal procedures for any offeror to protest the award, or the proposed award, of a contract. All protests must be filed in accordance with Md. Code Ann., St. Fin. & Proc. §15-215 through §15-223 and with COMAR 21.10.02.

PART IV GENERAL INFORMATION AND INSTRUCTIONS

1. PROPOSAL INFORMATION

1.1 PRE-PROPOSAL CONFERENCE (See Key Information Summary Sheet for location, time, etc.)

While attendance at the pre-proposal conference is not mandatory, the information presented may be informative. All interested offerors are encouraged to attend in order to be better able to prepare an acceptable proposal.

In order for the MHCC to prepare for this conference, prospective attendees are requested to contact Sharon M. Wiggins at swiggins@mhcc.state.md.us no later than five days prior to the Pre-Proposal conference to provide notice of the anticipated number of individuals who will attend, as well as to provide acknowledgement of receipt of the RFP.

Any individual interested in attending the pre-proposal conference who is in need of an accommodation due to his/her disability should contact the Issuing Office a minimum of five working days prior to the conference to request the necessary accommodation.

1.2 QUESTIONS AND INQUIRIES

Questions may be submitted in writing to the Issuing Office Point of Contact in advance of the pre-proposal conference. As practical and appropriate, the answers to these pre-submitted questions will be provided at the pre-proposal conference. Additionally, questions, both oral and written, will be accepted from the prospective offerors attending the pre-proposal conference and will be answered at this conference or in a subsequent transmittal.

Subsequent to the pre-proposal conference, the Issuing Office will accept written questions until there is insufficient time for a response to impact on a proposal submission. Written questions will be accepted by the Issuing Office until 1:00 p.m., five (5) business days before the submission deadline. Questions that have not been previously answered and that are deemed to be substantive in nature will be answered in writing, with both the question(s) and answer(s) being distributed to all persons known by the Issuing Office to have obtained the RFP.

Should a potential offeror identify alleged ambiguities in the specifications or contract provisions included in this RFP, or should there be doubt as to the meaning or intent of any section or subsection herein, the potential offeror must request clarification from the Procurement Officer prior to the proposal due date. Failure to do so may prevent consideration of a future protest. (see COMAR 21.10.02.03).

1.3 RFP REVISIONS

If it becomes necessary to revise any part of this RFP, addenda will be provided to all persons who are known by the Procurement Officer to have received the RFP.

Acknowledgment of the receipt of all amendments, addenda, and changes issued shall be required from all persons receiving the RFP. This acknowledgement should be in the transmittal letter accompanying your technical proposal. Failure to acknowledge receipt of addenda will not excuse any failure to comply with the contents of the addenda.

1.4 CONFIDENTIALITY OF PROPOSALS

The copy marked “PIA” or any proposal submitted in response to this RFP must identify all parts of the technical and financial proposal that the offeror deems to contain trade secrets or information of a confidential and/or proprietary nature. (see Part II, Section 1.1,A). This copy must also include a statement by the offeror regarding the rationale for the parts so identified. Compliance with this requirement is set forth in Part IV, Section 2.14, #2.

Note that a blanket statement by an offeror that its entire proposal is confidential or proprietary is unacceptable.

1.5 DURATION OF OFFER

A proposal submitted in response to this solicitation is binding upon the offeror and is considered irrevocable for a minimum of 120 days following the closing date for receipt of initial proposals or the closing date for receipt of a best and final offer, if any. This period may be extended by written mutual agreement between the offeror and the State.

1.6 MODIFICATIONS OR WITHDRAWALS

Proposals may be modified or withdrawn by written notice to the Issuing Office prior to the closing date/deadline for receiving proposals. A facsimile transmission or telegram is also acceptable for this purpose; however, offerors are advised to document the exact date/time of transmission. A printed fax confirmation sheet is sufficient or, in the case of a telegram, a written confirmation from the telegraph office showing the date/time that the original message was received from the offeror at the telegraph office.

1.7 LATE ACTIONS

A proposal, request to withdraw a proposal, or a modification to a proposal is late, if the Issuing Office does not receive it by the closing date and time at the place designated for receipt of proposals (See Key Information Summary Sheet). A late proposal, late request for withdrawal, or late modification will not be considered, except under the following circumstances:

- A. When a late proposal is received before contract award and the proposal, the modification, or withdrawal would have been timely but for the action or inaction of State personnel directing the procurement activity or by the action or inaction of their employees.

- B. A late modification of a successful proposal, which makes its terms more favorable to the State, shall be considered at any time it is received and may be accepted at the sole discretion of the State. (See COMAR 21.05.02.10)

1.8 RIGHTS OF PROCUREMENT OFFICER

The Procurement Officer reserves the right to cancel this RFP, in whole or in part, to reject any or all proposals, to waive minor irregularities in proposals, and/or to allow the offeror to correct a minor irregularity if the best interest of the State will be served by so doing. Additionally, the Procurement Officer, at his/her discretion, may negotiate with all qualified (or potentially qualified) offerors in an effort to serve the best interests of the State of Maryland.

1.9 INCURRED EXPENSES

The State of Maryland is not responsible for any expenses incurred by the offeror in preparing and submitting a proposal in response to this RFP.

1.10 MULTIPLE PROPOSALS

An offeror **may not** submit multiple proposals in response to this solicitation.

1.11 ALTERNATE PROPOSALS

An offeror **may not** submit an alternate proposal in response to this RFP.

Accordingly, if there is any item, including any of the standard contract provisions (See Part IV, Section 2.14 below), with which the offeror cannot or will not comply, any exception(s) must be clearly noted and explained. Offerors are warned, however, that exception(s) may be unacceptable to the MHCC and may cause an offeror to be deemed not responsible or not reasonably susceptible of being selected for award.

1.12 CORPORATE REGISTRATION/VERIFICATION OF TAX PAYMENT

All corporations doing business in Maryland are required by law to be registered with the State of Maryland's, Department of Assessments and Taxation, and Department of Labor, Licensing and Regulation. Corporations that are not incorporated within the State of Maryland are required to have a resident agent. The resident agent must be either an individual (not the corporation itself) with an address within the boundaries of Maryland or a corporation that represents other corporations as a resident agent. Further, both corporations and individuals must verify that they carry no tax liability by contacting the Comptroller's Office.

The successful offeror shall be responsible for ensuring that all subcontractors meet these requirements, and further, that the contractor and all subcontractors shall meet these requirements for the duration of the contract.

Any potential offeror who has questions concerning this requirement is advised to contact the Department of Assessments and Taxation, at (410) 767-1330. It is strongly recommended that potential offerors and subcontractors be completely registered prior to the due date for receipt of proposals. Failure to register may result in an offeror's proposal being deemed unacceptable.

1.13 RESERVED

This subsection has been left intentionally blank.

1.14 DELIVERY/HANDLING OF PROPOSALS

Offerors may either mail or hand-deliver proposals. Hand-delivery includes delivery by commercial carrier. For any type of direct (non-mail) delivery, offerors are advised to secure a dated, signed, and time-stamped (or otherwise indicated) receipt of delivery. (See Part VI, Appendix A: "Standard Addendum for the Means of Delivering Bids and Proposals".)

Proposals will not be opened publicly, but will be opened in the presence of at least two State employees. After the established due date, a Register of Proposals will be prepared that identifies each offeror. The register of proposals will be open to inspection only after the procurement officer makes a determination recommending the award of the contract.

Proposals and modifications shall be shown only to State employees, members of the Evaluation Committee, or other persons, deemed by the Commission to have a legitimate interest in them.

1.15 FEDERAL FUNDING ACKNOWLEDGEMENT

The contract awarded as a result of this RFP will contain no federal funds.

1.16 MBE REQUIREMENTS

A. Subcontracting Participation Goal

A Minority Business Enterprise (MBE) subcontract participation goal of an amount not less than **25%** of the total dollar value of the contract has been established for this procurement.

By submitting a response to this solicitation, the offeror agrees that one or more Maryland Department of Transportation (MDOT) certified MBEs will perform this percentage of the dollar value of the contract. That is, a prime contractor – including an MBE prime contractor or a prime contractor comprising a joint venture that includes MBE partner(s) – must accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors. In the event that two (2) or more offers are determined by the Procurement Officer to be equal, the Maryland Health Care Commission may award a contract to the offeror whose proposal reflects the highest percentage of certified MBE participation.

B. Proposal/Contract Submission Requirements – MBE Participation Documentation

1. MBE Utilization and Fair Solicitation Affidavit (MBE Attachment A)

The following document shall be considered as part of the contract and shall be furnished by the offeror with the offeror's technical proposal. The offeror shall submit a completed *MBE Utilization and Fair Solicitation Affidavit* (see Appendix L, MBE Attachment A), whereby the offeror acknowledges the MBE participation goal and commits to make a good faith effort to achieve it, and affirms that in the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors, and that the solicitation process was conducted in such a manner so as to not otherwise place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors. Offerors must select either box 1b on the Affidavit, reflecting an intention to make a good faith effort to meet the goal, or box 1c on the Affidavit, reflecting an expectation that the goal will be partially, or not at all, met and that a waiver will be requested. This Affidavit must be submitted with the technical proposal.

2. MBE Participation Schedule (MBE Attachment B)

The following document shall be considered as part of the contract and shall be furnished by the offeror with the offeror's financial proposal. The offeror shall submit a completed MBE Participation Schedule (see Appendix L, MBE Attachment B) of MDOT certified Minority Business Enterprises whereby the offeror responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified Minority Business Enterprises at the time of submission and naming each proposed certified MBE who will participate in the project and describing the contract items to be performed or furnished by the MBE. The offeror shall specify the price and/or the percentage of contract value associated with each MBE subcontractor identified on the MBE Participation Schedule. This Attachment must always accompany the financial proposal. If Box 1b of the Affidavit (MBE Attachment A) is selected, Part 1 and Part 2 of this Attachment B must be fully completed as set forth herein. If Box 1c is selected, Part 1 of this Attachment B must be completed and Part 2 must include any MBE subcontractors that will partially complete the goal, or, if a total waiver is to be requested, the information in Part 2 may be blank. **Note, this Attachment B must be submitted with the financial proposal regardless of which option (b or c) is selected in section 1 of the Affidavit (MBE Attachment A).**



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ATTENTION: If an offeror fails to submit properly completed MBE Attachment A and MBE Attachment B at the time of submittal of the offer as required, the Procurement Officer will deem the offer not reasonably susceptible of being selected for award of contract.

3. Other Documentation

Within 10 working days from notification that it is the apparent successful offeror, or from the date of award, whichever is earlier, (COMAR 21.11.03.10.B), the apparent successful offeror must submit to the MHCC's Procurement Officer:

a.) A completed *Outreach Efforts Compliance Statement* (see Appendix L, MBE Attachment C), signed by the offeror, which shall be considered as part of the contract. It shall include:

- (i) A listing of specific work categories identified by the offeror in which there are subcontracting opportunities,
- (ii) Copies of written solicitations used to solicit certified MBEs for these subcontracting opportunities,
- (iii) A description of the offeror's attempts to personally contact the solicited MBEs, and
- (iv) A description of offeror's efforts to fulfill or seek waiver of bonding requirements, if bonding required.

b.) A completed *Subcontractor Project Participation Statement* (see Appendix L, MBE Attachment D).). This statement must be consistent with the information included on the MBE Participation Schedule (MBE Attachment B), unless any changes in MBE subcontractors have been submitted to and approved by the MHCC. The Subcontractor Project Participation Statement, which shall be considered to be part of the contract, shall be signed by both the offeror and each MBE listed and shall include:

- (i) A statement of intent to enter into a contract between the prime contractor and each subcontractor if a contract is executed between the Maryland Health Care Commission and the prime contractor, and
- (ii) The amount and type of bonds required of MBE subcontractors, if any.

c.) Any other documentation considered appropriate by the Maryland Health Care Commission to ascertain offeror responsibility in connection with the contract MBE participation goal.

ATTENTION: If the apparent awardee fails to return each completed document within the required time, and in compliance with the requirements of this section B.2, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

4. MBE Participation Waiver

If the apparent successful offeror is unable to achieve the contract goal for certified MBE participation, the offeror must submit instead of, or in conjunction with an *MBE Subcontractor Project Participation Statement*, a written request for a waiver with justification, to include the following:

- a.) A detailed statement of the efforts made to select portions of the proposed work to be performed by the certified MBE's in order to increase the likelihood of achieving the stated goal;
- b.) A detailed statement of the efforts made to contact and negotiate with certified MBEs including the names, addresses, dates, and telephone numbers of the certified

MBEs contacted and a description of the information provided to the certified MBEs regarding plans, specifications, and anticipated time schedules for portions of the work to be performed;

c.) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful offeror considered not to be acceptable, a detailed statement of the reasons for this conclusion; and

d.) In the event certified minority subcontractors are found to be unavailable, a signed and notarized MBE Statement of Unavailability (MBE Attachment E) must be prepared by the apparent successful offeror, including the names, addresses, dates, and telephone numbers of the certified MBEs contacted, and the reason each MBE is unavailable. A waiver of a certified MBE contract goal shall be granted only upon reasonable demonstration by the apparent successful offeror that certified MBE participation was unable to be obtained or was unable to be obtained at a reasonable price and if the Secretary or designee determines that a waiver serves the public interest. The Code of Maryland Regulation citation (COMAR 21.11.03.11) governing the MBE waiver is included as MBE Attachment F.

C. MBE Compliance

The MHCC will ensure ongoing compliance with subcontracting requirements by way of periodic reviews conducted by the MHCC and periodic reporting by both the prime contractor and certified MBE subcontractor(s). To this end the contractor shall:

- 1.) Submit monthly to the MHCC and the Department as noted below a *Prime Contractor Unpaid MBE Invoice Report (MBE Attachment G)* listing any unpaid invoices, over 30 days old, received from any certified MBE contractor, the amount of each invoice and the reason payment has not been made;
- 2.) Include in its agreement with certified MBE subcontractors a requirement that those subcontractors submit monthly to the MHCC and the Department, a *Subcontractor Payment Report (MBE Attachment H)* that identifies the prime contract and lists all payments received from the contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices;

Attention: One copy of each report noted above, is to be submitted monthly to the MHCC's Contract Monitor identified in this PART III of this solicitation and to the Department of Health and Mental Hygiene, Office of Community Relations, 5th floor, 201 West Preston Street, Baltimore, MD 21201 (410) 767-6600.

- 3.) Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of the work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the contractor and furnished to the Procurement Officer on request;

- 4.) Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for MHCC inspection for a period of three years after final completion of the contract; and
- 5.) At the option of the procurement agency, upon completion of the contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

Upon determining the contractor's non-compliance, the MHCC shall notify the contractor in writing of its findings and shall specify what corrective actions are required. The contractor shall be required to initiate the corrective actions within 10 days and complete them within the time specified by the MHCC. If the MHCC determines that substantial noncompliance with MBE contract provisions exists and that the prime contractor refuses or fails to take corrective action required by the MHCC, then the following sanctions may be invoked:

- (1) Withholding payment;
- (2) Termination of the contract;
- (3) Suspension of the right of the contractor to participate in any future contracts;
- (4) Referral to the Office of the Attorney General for appropriate action;
- (5) Initiation of any other specific remedy identified by the Contract; and
- (6) Any other compliance mechanism authorized in COMAR 21.11.03. or available at law.

D. If the MHCC determines that the contractor has not complied with the certified MBE subcontractor participation goal, and has not obtained a waiver (See Appendix L, MBE Attachment F), the Procurement Officer, upon review by the Office of the Attorney General, may determine the contractor to be in breach of contract. The reasons for this action shall be specified in writing and mailed or delivered to the contractor.

E. All questions related to MBE certification must be directed to:

Maryland Department of Transportation
Office of Minority Business Enterprise/Equal Opportunity
P.O. Box 8755
BWI Airport
Baltimore, Maryland 21240
Telephone: (410) 865-1269

1.17 BID/PROPOSAL AFFIDAVIT

State procurement regulations require that each proposal submitted by an offeror include a Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B of this RFP.

1.18 CONTRACT AFFIDAVIT

All offerors are advised that, if a contract is awarded as a result of this RFP, the successful offeror will be required to complete a Contract Affidavit. A copy of this Contract Affidavit is included as Appendix C of this RFP for information purposes. This form is not required to be submitted with the proposal.

1.19 ECONOMIC BENEFIT TO THE STATE OF MARYLAND

Each proposal submitted in response to this RFP must describe the benefits that will accrue to the Maryland economy as a direct result of the offeror's performance of the contract resulting from this RFP. This description must be included as part of the technical proposal. (Part II, Section 2.1, E. includes a list of possible benefits to include.) **Do not divulge your financial proposal when describing economic benefit.** Use percentages or other descriptive language. The economic benefit is incorporated into the proposal evaluation as described in Part II, Section 2.

2. CONTRACT INFORMATION

2.1 DURATION OF CONTRACT

The contract(s) resulting from this RFP shall be for a period as stated on the Key Information Summary Sheet. Any renewals shall be exercised at the sole discretion of the Commission, and shall comply with all terms and conditions of the existing contract.

In the event the contract does not commence on the date stated, the contract shall be effective for five (5) years from the actual commencement date.

2.2 INVOICING/PAYMENT/RETAINAGE/WITHHOLDING

A. Invoicing

Payment to the Contractor will be made after successful completion of each task described in Part I, Sections 4.1-4.3, 4.5 including acceptance by MHCC of all deliverables associated with that task as listed in Part I, Section 5.0. The Contractor will be paid the amount for each task as specified on Appendix D-2 (Financial Proposal Detail by Task Sheet) as submitted with the Contractor's Financial Proposal after completion of the task and acceptance by MHCC. The Contractor will be paid for the unit work hours associated with a special study in Part I, Section 4.5 upon completion of the study and acceptance by MHCC. The MHCC reserves the right to reduce or withhold contract payment in the event the contractor does not provide the MHCC with all required deliverables within the time-frame specified in the contract or in the event that the contractor otherwise materially breaches the terms and conditions of the contract. Any such action on the part of the MHCC, or dispute of such action by the contractor, shall be in accordance with the provisions of Title 15 of the State Finance and Procurement Article (Procurement Contract Administration and Dispute Resolution), Annotated Code of Maryland and COMAR 21.10.

Invoices must be addressed to: Ben Steffen, Deputy Director, Center for Analysis and Information Services, MHCC, 4160 Patterson Avenue, Baltimore, Maryland 21215, with one invoice copy marked "copy" submitted to Bridget Zombro, MHCC, 4160 Patterson Avenue, Baltimore, Maryland 21215. All invoices must (at a minimum) be signed and dated in addition to including the vendor's mailing address, the vendor's Social Security number or Federal Tax ID number, the MHCC's assigned contract number, the goods/services provided, the time period covered by the invoice, and the amount of requested payment.

B. Payment

The contractor will be paid for each task after completion by the contractor and acceptance by MHCC. In no case will MHCC make partial or periodic payments under this contract. Any contract with a value over \$200,000 that requires the Board of Public Works approval must adhere to the following clause:

Electronic Funds Transfer (EFT) will be used to pay the Contractor for the contract resulting from this solicitation and any other State payments unless the State Comptroller's Office grants the Contractor an exemption. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for exemption.

2.3 CONTRACT TYPE

The contract resulting from this RFP shall be a combination Firm Fixed Price Contract as described in COMAR 21.06.03.02 with respect to the services required in Part I Sections 4.1-4.3 & 4.5; and an Indefinite Quantity Contract with Firm Fixed Unit Prices as described in COMAR 21.06.03.02 & 21.06.03.06 with respect to the services required in Part I Section 4.4.

2.4 SUBCONTRACTING

The successful offeror may subcontract certain elements of a contract awarded as a result of this RFP. Notwithstanding any subcontracting arrangement, the successful offeror shall be held fully responsible to the Commission for the proper accomplishment of all elements of the contract.

All subcontractors must be identified in the offeror's proposal, including a description of the subcontractor's role in the performance of the contract.

Subcontractors must meet the same mandatory requirements as the primary contractor, and will have to comply with the provisions of this RFP concerning staff qualifications and experience for the specific levels of services required for this contract.

2.5 CONTRACT DOCUMENT

Part V of this RFP will serve as the contract between the Commission and the offeror for goods/services detailed in Part I of this RFP. All requirements, conditions, and stipulations contained therein shall prevail once all mandated approvals have been received and the Commission and the successful vendor execute the contract.

2.6 CONTRACT AFFIDAVIT

All offerors are advised that, if a contract is awarded as a result of this RFP, the successful offeror will be required to complete a Contract Affidavit as set forth in Appendix C. The Contract Affidavit must be submitted within ten (10) business days of being notified of being recommended for award.

2.7 INSURANCE REQUIREMENTS

The successful offeror resulting from this RFP must show evidence of third party legal liability insurance for themselves and any subcontractor under agreement covering claims arising from the operations and provided under this contract. These insurance coverages shall include the statutory limit for Workers' Compensation coverage; a minimum of \$500,000 aggregate for Commercial General Liability coverage; a minimum of \$100,000 for each Professional Liability or Malpractice coverage, if applicable; and automobile liability coverage, if applicable. All coverages shall be provided by insurance companies licensed to do business in the State of Maryland and shall be endorsed to provide 30 day notice of cancellation or non-renewal to the Commission's Contract Monitor.

All insurance shall be in an amount and type acceptable to the State of Maryland. Any self-insurance program must be documented including any necessary regulatory approval. The Contractor will name the State of Maryland as an Additional Named Insured on all liability policies (Workers' Compensation excepted) and provide certificates of insurance evidencing this coverage prior to the commencement of any activities.

2.8 AMENDMENTS

Any amendment to this contract must first be agreed to in writing by both parties and approved by the Procurement Officer, or other authorized officer of the Commission, subject to any additional approvals as may be required by State law. No amendment to this contract shall be binding unless so approved.

2.9 SUBSTITUTION OF PERSONNEL

All personnel described in the contractor's proposal, or identified at the initiation of the contract, shall perform continuously for the duration of the contract, and for so long as performance is satisfactory to the Commission's Contract Monitor. The Contract Monitor will give written notice of performance issues to the contractor, clearly describing the problem and delineating remediation requirement(s). The contractor shall respond with a written remediation plan within three business days and implement the plan immediately

upon written acceptance of the Contract Monitor. If performance issues persist, the Commission's Contract Monitor may give written notice or request the immediate removal of person(s) whose performance is at issue, including the Project Director, and determine whether a substitution is required.

The contractor may not substitute personnel, other than by reason of an individual's death, sudden illness or termination of employment, without the prior written approval of the Contract Monitor. To replace any personnel specified in the contractor's proposal, the contractor shall submit the resumes of the proposed substitute personnel to the Contract Monitor for approval at least two weeks prior to the effective date of substitution. All proposed substitute personnel shall have qualifications at least equal to those replaced personnel, and shall be approved by the Contract Monitor.

2.10 RECIPROCAL PREFERENCES

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference to be applied to the contract award herein does not conflict with a Federal law or grant affecting the procurement contract. The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its residents.

2.11 RESERVED

2.12 RESERVED

2.13 RESERVED

2.14 STANDARD CONTRACT CLAUSES

All vendors should thoroughly review the following mandatory contract clauses. Upon contract award, the successful offeror will be required to fully abide by these provisions in addition to the actual delivery of services as detailed in Part I of this RFP.

Both parties agree that the following standard contract provisions are hereby incorporated into and made an integral part of this RFP and resulting contract(s), if any.

1. FINANCIAL DISCLOSURE

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial

ownership of the business.

2. PUBLIC INFORMATION ACT NOTICE

Offerors should give specific attention to the identification of those portions of their proposals that they deem to be confidential, proprietary information or trade secrets and provide any justification why the identified materials, upon request, should not be disclosed by the State under the Access to Public Records, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. The justification in support of non-disclosure must accompany the PIA copy of the proposal. Upon request for information from a third party, the Procurement Officer is required to make an independent determination as to whether the information may or may not be disclosed. A blanket statement by an offeror that its entire proposal is confidential or proprietary is unacceptable.

3. APPROVALS

This contract may be subject to approval by the Office of the Attorney General, the Maryland Department of Budget and Management, and the Board of Public Works.

4. MULTI-YEAR CONTRACTS

If the General Assembly fails to appropriate funds, or if funds are not otherwise made available for continued performance of the contract for any fiscal period of the contract succeeding the first fiscal period, the contract shall be automatically cancelled as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the Commission's rights or the Contractor's rights under any other termination clause in the contract. The effect of termination of the contract hereunder will be to discharge both the Contractor and the Commission from future performance of the contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred, but not amortized in the price of the Contract. The Commission shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

5. MODIFICATION OF CONTRACT – GENERAL

This contract may be amended as the Commission and the Contractor mutually agree in writing (subject to any necessary approvals of the Office of the Attorney General, Department of Budget and Management and, in certain cases, the Board of Public Works). No amendment may change significantly the scope of the original solicitation or, if none, the original contract. An amendment to this contract does not alter the other terms of the contract, except to the extent necessary to make them consistent with the amendment. This contract may not be amended to provide salary and wage increases for the Contractor's employees with the intention of making these increases consistent with salary and wage increases given to employees of the State except as provided in Title 10, Section 10-905 of the Health-General Article, Annotated Code of Maryland.

6. MODIFICATION OF CONTRACT - SALARY INCREASES AND EMERGENCIES

Subject to the approval of the Department of Budget and Management, the Commission shall have the ability to supplement this contract for:

- A. Increases in salaries without consequent increases in deliverables if the increase in salaries results from increases in specific appropriations for that purpose, or
- B. Unanticipated emergencies impairing the ability of the provider, through no fault of its own, to perform as per this contract.

7. NON - HIRING OF STATE EMPLOYEES

No official or employee of the State of Maryland, as defined under State Government Article, §15-102, Annotated Code of Maryland, whose duties as an official or employee include matters relating to or affecting the subject matter of this contract, shall during the pendency and term of this contract and while serving as an official or employee of the State become or be an employee of the contractor or any entity that is a subcontractor on this contract.

8. CONFLICT OF INTEREST LAW

It is unlawful for any State officer, employee, or agent to participate personally in his official capacity through decision, approval or disapproval, recommendation, advice, or investigation in any contract or other matter in which he, his spouse, parent, minor child, brother, or sister has a financial interest or to which any firm, corporation, association, or other organization in which he has a financial interest or in which he is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, is a party, unless such officer, employee, or agent has previously complied with the provisions of the Maryland Code Annotated, State Government Article, §15-501 et seq.

9. DISPUTES

This contract shall be subject to the provisions of the Annotated Code of Maryland, State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10. In accordance with the requirement of COMAR 21.10.04.02 the Contractor must file a written notice of a claim with the procurement officer within thirty days after the basis for the claim is known or should have been known, whichever is earlier, but no later than the date final payment is made under the contract. Pending a resolution of a claim, the Contractor shall proceed diligently with the performance of the contract in accordance with the Procurement Officer's decisions.

10. MARYLAND LAW PREVAILS

The Provisions of this contract shall be governed by the laws of the State of Maryland.

11. NON-DISCRIMINATION IN EMPLOYMENT

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

12. CONTINGENT FEE PROHIBITION

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the contractor to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or other consideration contingent on the making of this agreement.

13. TERMINATION FOR DEFAULT

The rights and remedies of the State under the contract are cumulative. The enforcement of any right or election of any remedy by the State provided by the contract for any breach of the contract will not preclude the State from enforcing other rights and availing itself of other remedies available under the contract for the same breach or any other breach of the contract.

If the contractor fails to properly perform its obligations under the contract, the State may correct any deficiencies at the contractor's expense.

If the Contractor fails to fulfill its obligations under this contract properly and on time, or otherwise violates any provision of the Contract, the Commission may terminate the contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the Commission's option, become the State's property. The Commission shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the Commission can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

14. TERMINATION FOR CONVENIENCE

The Commission may terminate the performance of work under this contract in accordance with this clause in whole, or from time to time in part, whenever the Commission shall determine that the termination is in the best interest of the State. The Commission will pay all reasonable costs associated with this contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the contract. However, the Contractor shall not be reimbursed for any anticipatory profits, which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

15. TAX EXEMPTIONS

The State is generally exempt from Federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. Exemption certificates shall be completed upon request. Where a Contractor is required to furnish and install material in the construction or improvement of real property in performance of a contract, the Contractor shall pay the Maryland sales tax and the exemption does not apply.

16. ARREARAGES

By submitting a response to this solicitation, a vendor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take any action as, from time to time hereafter, may be necessary to remain so qualified; and
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract if selected for contract award.

17. NON-ASSIGNMENT

The Contractor may not, during the term of this contract or any renewals or extensions of the contract, assign or sub-contract all or any part of the contract without the prior written consent of the Procurement Officer. However, the contractor may assign monies receivable under a contract after due notice to the Commission's Contract Monitor.

18. DOCUMENTS RETENTION AND INSPECTION CLAUSE - OTHER THAN RESIDENTIAL HEALTH CARE FACILITIES CONTRACTS

The Contractor and sub-contractors shall retain and maintain all records and documents relating to this contract for a period of five (5) years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the procurement officer or designee, at all reasonable times.

19. DOCUMENTS RETENTION AND INSPECTION CLAUSE - RESIDENTIAL HEALTH CARE FACILITIES CONTRACTS

If the Contractor supplies services to a State residential health care facility under the Mental Hygiene Administration, the Family Health Administration, the Alcohol and Drug Abuse Administration, or the Developmental Disabilities Administration, the Contractor agrees, in addition to the requirements of Clause 18, above:

- A. That pursuant to 42 Code of Federal Regulations (C.F.R.) Part 420, the Secretary of Health and Human Services, and the Comptroller General of the United States, or their duly authorized representatives, shall be granted access to the Contractor's contract, books, documents and records necessary to verify the cost of the services provided under this contract, until the expiration of four years after the services are furnished under this contract; and
- B. That similar access will be allowed to the books, documents and records of any organization related to the Contractor or controlled by the Contractor (as those terms are defined in 42 C.F.R. (420.301) if that organization is sub-contracting to provide services with a value of \$10,000 or more in a twelve-month period to be reimbursed through funds provided by this contract.

20. INDEMNITY (HOLD HARMLESS) CLAUSE

A. Definitions:

For the purpose of this clause only, the following terms have the meanings indicated:

- (1) "Contractor" means the Contractor, its officers, employees, agents, and representatives.
- (2) "State" means the State, its departments, agencies, officials, officers, and employees.
- (3) "Subcontractor" means any sub-contractor of the contractor, its officers, employees, agents, and representatives.

B. Indemnification by Contractors

The contractor shall indemnify and hold the State of Maryland harmless for any cost, expense, loss, liability, fine, or penalty of any nature or character whatsoever that the State may incur as a result of a failure of the contractor, or its subcontractor(s), to comply with the terms of this agreement (or any part thereof), negligence of the contractor, injury or death to any person, damage to property, nuisance (public or private), or trespass arising out of or attributable to the performance of work by the contractor or its subcontractor(s), except to the extent caused by the negligent or willful act or omission of the State or its employees, agents, or independent contractors, other than the contractor, or its subcontractor(s).

The contractor further agrees to indemnify the State for damage, loss, or destruction of State property in the contractor's care, custody, and/or control during the term of this contract due to the action or inaction of the contractor or its subcontractor(s).

C. Liability of the State

State law prohibits the State from incurring, by way of an indemnity agreement, a potentially unlimited liability when no funds have been appropriated to fund the liability, the risk is uninsured, and the indemnity agreement is not conditioned upon the future appropriation of funds to satisfy the liability. Notwithstanding any other provisions of the contract documents, the State shall have no liability to the contractor under the circumstances described in this paragraph.

The State has no obligation to provide legal counsel or legal defense to the Contractor or its sub-contractors in the event that a suit, claim or action of any character is brought by any person or persons not party to the contract against the Contractor or its sub-contractors as a result of or relating to the Contractor's obligations under this contract.

The State has no obligation for the payment of any judgments or the settlement of any claims made against the Contractor or its sub-contractors as a result of or relating to the Contractor's obligations under this contract.

D. Notice of Cooperation in Litigation

The Contractor will immediately give notice to the Procurement Officer of any claim or suit made or filed against the Contractor or its sub-contractors regarding any matter resulting from or relating to the Contractor's obligations under this contract, and will cooperate, assist and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's obligations under this contract.

21. COST AND PRICE CERTIFICATION

A. The Contractor shall submit cost or price information and shall certify that, to the best of its knowledge, the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:

- (1) A negotiated contract if the total contract price is expected to exceed \$100,000, or a smaller amount set by the Procurement Officer; or
- (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the Procurement Officer.

B. The price under this Contract and any change order or modification hereunder, including profit or

fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

22. PAYMENT OF STATE OBLIGATIONS AND INTEREST

- A. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable, are prohibited.
- B. Section 15-104 et. seq. of the State Finance and Procurement Article, Annotated Code of Maryland, provides that the State shall remit payment to the Contractor within forty-five (45) days after receipt of a proper invoice pursuant to any authorized, written procurement contract. Except as provided in Section 15-105 of this Article, the State's failure to remit payment within this period may entitle the Contractor to interest at the rate specified in 15-104 of this Article, for the period that begins thirty-one (31) calendar days after the receipt date. This amount, if paid, shall be in lieu of payment of any other late charge(s) by the State.
- C. For purposes of this contract, an amount will not be deemed "due and payable" and interest payments will not be authorized for late payments unless the following conditions have been met:
 - (1) The amount invoiced is consistent with the amount agreed upon by the parties to the contract.
 - (2) The goods or services have been received by the State and the quantity received agrees with the quantity ordered.
 - (3) The goods or services meet the qualitative requirements of the contract and have been accepted by the State.
 - (4) The proper invoice has been received by the party or unit of government specified in the contract.
 - (5) The invoice is not in dispute.
 - (6) If the contract provides for progress payments, the proper invoice for the progress payment has been submitted pursuant to the schedule contained in the contract.
 - (7) If the contract provides for withholding a retainage and the invoice is for the retainage, all stipulated conditions for release of the retainage have been met.
- D. In order to receive payment of interest, the Contractor must submit a proper invoice for accrued interest within 30 calendar days after the payment date (i.e., the date of the check from the State Treasurer that pays the Contractor for the goods supplied or the service rendered) of the amount on which the interest accrued. Interest may not be claimed (1) if a claim has been filed under Title 15, State Finance and Procurement Article (Procurement Contract Administration and Dispute Resolution) Annotated Code of Maryland, (2) for more than one year following the 31st calendar day after the date that a proper invoice is received by a State agency, or (3) on an amount representing unpaid interest.

23. INSPECTION OF PREMISES

The Contractor agrees to permit authorized officials of the State to inspect, at reasonable times, its plant, place of business, job site, or any other location that is related to the performance of the contract.

24. INCORPORATION BY REFERENCE

All terms and conditions of the solicitation, and any amendments thereto, are made a part of this contract. In the event of contract award, the contract shall consist of the RFP, including all addenda, exhibits, and attachments, and the entire proposal submitted by the successful offeror except for any portions specifically excluded by contract. This shall constitute the entire agreement between the contracting parties, superseding all representations, commitments, conditions, or agreements that may have been made orally or in writing prior to the execution of the contract.

Any amendment to this contract must be in writing and be approved by the Procurement Officer, or

other authorized officer of the Commission, subject to any additional approvals as may be necessitated by State law.

25. SPECIFICATIONS

All materials, equipment, supplies or services shall conform to Federal and State laws and regulations and to the specifications contained in the solicitation.

26. DELIVERY AND ACCEPTANCE

Delivery shall be made in accordance with the solicitation specifications. The State, in its sole discretion, may extend the time of performance for excusable delays due to unforeseeable causes beyond the Contractor's control. The State unilaterally may order in writing the suspension, delay, or interruption of performance hereunder. The State reserves the right to test materials, equipment, supplies, or services delivered to determine if the specifications have been met. The materials listed in the bid or proposal shall be delivered FOB to the point or points specified prior to or on the date specified in the bid or proposal. Any material that is defective or fails to meet the terms of the solicitation specifications shall be rejected. Rejected materials shall be promptly replaced. The State reserves the right to purchase replacement materials in the open market. Contractors failing to promptly replace materials lawfully rejected shall be liable for any excess price paid for the replacement, plus applicable expenses, if any.

27. ANTI-BRIBERY

Potential contractors and sub-contractors are required to be aware of the Maryland Code Annotated, State Finance and Procurement Article, §16-202 that requires that any person convicted of bribery, attempted bribery, or conspiracy to bribe committed in the obtaining of a contract from the State or any of its subdivisions, shall be subject to disqualification pursuant to the Annotated Code of Maryland, State Finance and Procurement Article, §16-202, from entering into a contract with the State, or any county or other subdivision of the State.

28. REGISTRATION

In accordance with the Maryland Code Annotated, Corporations and Associations Article, §7-201 et seq., corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, Maryland 21201, before doing any interstate or foreign business in this State. Before doing any intrastate business in this State, a foreign corporation shall qualify with the Department of Assessments and Taxation. The Contractor shall be responsible for ensuring that all subcontractors meet these requirements, and further that the contractor and all subcontractors meet these requirements for the duration of the contract.

29. EPA COMPLIANCE

Materials, supplies, equipment, or services shall comply in all respects with the Federal Noise Control Act of 1972, where applicable.

30. OCCUPATIONAL SAFETY AND HEALTH ACT (O.S.H.A.)

All materials, supplies, equipment, or services supplied as a result of this Contract shall comply with the applicable U.S. and Maryland Occupational Safety and Health Act standards.

31. PATENTS, COPYRIGHTS, TRADE SECRETS & INDEMNIFICATION

If the contractor furnishes any design, device, material, process, or other item which is covered by a patent or copyright, or which is proprietary to, or a trade secret of another, it is solely the responsibility of the contractor to obtain the necessary permission or license to use the item or items. The contractor hereby grants to the Commission a royalty-free, nonexclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so, all data now and hereafter covered by copyright, and warrants that it has the authority to do this.

If any products furnished by the contractor become, or in the contractor's opinion are likely to become, the subject of a claim of infringement, the contractor will, at its option: a) procure for the State the right to continue using the applicable item, b) replace the product with a non-infringing product substantially complying with the item's specifications, or c) modify the item so that it becomes non-infringing and performs in a substantially similar manner to the original item.

If the contractor obtains or uses for purposes of the contract (or any subcontracts) any design, device, material, process, supplies, equipment, text, instructional material, services or other work, the contractor shall indemnify the State, DHMH, their officials, agents, and employees with respect to any claim, action, cost, or judgment for patent, trademark, or copyright infringement, arising out of the possession or use of any design, device, material, process, supplies, equipment, text, instructional material, services or other work covered by this contract.

32. STATE CONTRACT PREVAILS

Whenever a Vendor/Contractor's Standard Contract is used along with this State's RFP document, including Section V of the RFP as the Contract document, this RFP document, including Section V of this RFP as the Contract document, shall prevail in the event of conflict between any provision of the two contracts when the State determines it to be in its best interest.

33. CHANGE ORDERS AND SUSPENSION OF WORK

Both parties agree that pursuant to the Annotated Code of Maryland, State Finance and Procurement Article, §13-218, 1) the State has the unilateral right to order in writing changes in the work within the scope of the contract; and 2) the procurement officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of the work for a period of time as the procurement officer may determine to be appropriate for the convenience of the State.

34. RIGHTS IN DATA

Work produced as a result of this solicitation is and shall remain the sole property of the MHCC/Commission.

The contractor agrees that all documents, equipment, and materials, including but not limited to, reports, drawings, studies, specifications, estimates, texts, computer software including software documentation and related materials, maps, photographs, designs, graphics, mechanicals, art work, computations and data prepared by or for, or purchased by or for, the contractor because of this contract shall, at any time during the term of the contract, be available to the Commission and shall become and remain the exclusive property of the Commission during and upon termination or completion of the services required to be performed under this contract.

The Commission shall have the right to use same without restriction and without compensation to the contractor other than that provided in this contract.

The contractor agrees that, at all times during the term of this contract and thereafter, the works created and services performed shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created under this contract are not works for hire for MHCC, the contractor hereby transfers and assigns to MHCC all of its rights, title and interest (including all intellectual property rights) to all such products created under this contract, and will cooperate reasonably with MHCC in effectuating and registering any necessary assignments.

The contractor shall report to the Commission, promptly and in written detail, each notice or claim of copyright infringement received by the Vendor with respect to all data delivered under this agreement.

The contractor shall not affix any restrictive markings upon any data and if markings are affixed, the Commission shall have the right at any time to modify, remove, obliterate, or ignore the markings.

35. DELAYS AND EXTENSIONS OF TIME

The Contractor agrees to perform the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control without the fault or negligence of either the Contractor or the subcontractors or suppliers.

36. PRE-EXISTING REGULATIONS

In accordance with the provisions of the Annotated Code of Maryland, State Finance and Procurement Article, §11-206, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

37. POLITICAL CONTRIBUTION DISCLOSURE

The Contractor shall comply with the Annotated Code of Maryland, Election Law Article, §§ 14-101–14-108, which requires that every person that enters into contracts, leases or other agreements with the State, a county, or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, or an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

38. COMPLIANCE WITH LAWS

By submitting a response to this solicitation, a vendor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take any action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It shall comply with all Federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- C. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

39. PROHIBITION OF SEXUAL HARASSMENT

The Contractor shall operate under this agreement so that no employee or client is subjected to sexual harassment in the workplace or in locations and situations otherwise associated with the performance of duties per the terms of this contract. Further, except in sub-contracts for standard commercial supplies or raw materials, the Contractor shall include this clause, or a similar clause approved by MHCC, in all sub-contracts. The Contractor has primary responsibility for enforcement of these provisions and for securing and maintaining the sub-contractor's full compliance with both the letter and spirit of this clause.

40. COMMERCIAL NONDISCRIMINATION

- A. As a condition of entering into this Agreement, the Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, the Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the Contractor retaliate against any person for reporting instances of such discrimination. The Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. The Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of the Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.
- B. As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against the Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, the Contractor agrees to provide within 60 days after the request a complete list of the names of all

subcontractors, vendors, and suppliers that the Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by the Contractor on each subcontract or supply contract. The Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. The Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

41. CONFIDENTIALITY

The Contractor agrees to keep information obtained in the course of this contract confidential, and the Contractor agrees further to comply with any applicable State and federal confidentiality requirements regarding collection, maintenance and use of health and financial information. This includes, where appropriate, the federal Health Insurance Portability and Accountability Act (HIPAA, 42 U.S.C. § 1320d et seq. and implementing regulations at 45 CFR Parts 160 and 164) and the Maryland Confidentiality of Medical Records Act (Md. Code Ann. Health-General §§4-301 et seq., MCMRA). This obligation includes providing training and information to employees regarding confidentiality obligations as to health and financial information and securing acknowledgement of these obligations from employees to be involved in the contract. This obligation further includes restricting use and disclosure of the records, generally providing safeguards against misuse of information, keeping a record of any disclosures of information, providing all necessary procedural and legal protection for any disclosures of information, promptly responding to any requests by the Agency for information about its privacy practices in general or with respect to a particular individual, modifying information as may be required by good professional practice as authorized by law, and otherwise providing good information management practices regarding all health and financial information.

42. LIVING WAGE REQUIREMENTS

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see Appendix M entitled Living Wage Requirements for Service Contracts). If the Offeror fails to submit and complete the Affidavit of Agreement, the State may determine an Offeror to be not responsible.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$11.72 per hour, if State contract services valued at 50% or more of the total value of the contract is performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$8.81 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The contract resulting from this solicitation has been deemed to be a Tier 1 contract.

PART V **CONTRACT**

The pages in this section must be completely filled out and appropriately signed and dated. In doing so, the vendor binds itself to all of the provisions, terms, and specifications contained in this RFP, Sections I through VI, including all Exhibits, Appendices, and Addenda, as well as its final proposal submitted in response to the RFP as set forth in Part E, which shall specifically be incorporated into this contract by reference.

- A. **PARTIES TO THE CONTRACT:** Each party to this agreement represents and warrants to the other that it has the full right, power, and authority to execute this contract. The contractual agreement resulting from this RFP, **MHCC 10- 001**, is by and between _____, hereinafter called the *Contractor* or the *Vendor*, and the **Maryland Health Care Commission**, a unit of the State of Maryland Department of Health and Mental Hygiene, hereinafter called the *State*, the *MHCC*, and/or *DHMH*.

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

- B. **CONTRACT TERM AND PRICE** – The official commencement and termination dates of the original contract period, and the total contract price shall be:

	Commencement	Termination
Contract Term	<u>July 1, 2009</u>	<u>June 30, 2014</u>
or:		
Year One	\$ _____	_____
Year Two	\$ _____	_____
Year Three	\$ _____	_____
Year Four	\$ _____	_____
Year Five	\$ _____	_____

TOTAL POTENTIAL COST OF CONTRACT \$ _____

- C. **CONTRACT AND APPROVAL IDENTIFIERS** – Identifiers for this contract shall include, but not necessarily be limited to:

Contract Number: **MHCC 010-001**

ADPICS Number: **M00B**

EMaryland Market Place Contractor Registration Number*: _____

*Note: Contract will not be awarded without eMM registration number.

- D. **INCORPORATION BY REFERENCE**

This contract, identified in Section D of this Part V consists of the RFP document

MHCC 10-001 Parts I through VI, including all Exhibits, Appendices, and Addenda and the successful offeror's entire final proposal including both the financial and the technical elements dated _____ (technical element) _____ (financial element), which are incorporated into this contract by reference.

Note: Incorporation by reference does not necessarily create a public record permissible for disclosure.

In Witness Whereof, the parties hereto have set their hands and seals:

(Signatory for the CONTRACTOR)

By: _____
(Signature)

Name (Typed)

Title (Typed)

Date

(Signatory for the COMMISSION shall be the Executive Director or designee)

By: _____
Rex W. Cowdry, M.D., Executive Director

OR DESIGNEE

(Signature)

Name (Typed)

Title (Typed)

(Designee of the Secretary of the Department)

Date of signing

Approved as to form and Legal Sufficiency

This _____ day of _____ 20 _____

By: _____

Name (Typed)

PART VI
APPENDICES

APPENDIX A

Standard Addendum for the Means of Delivering Bids or Proposals

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Standard Addendum for the Means of Delivering Bids or Proposals

Any bid or proposal due to any unit of the Maryland Department of Health and Mental Hygiene shall be delivered/transmitted as described in this addendum. The failure or any bidder or offeror to follow these instructions may result in its bid or offer not being received by the due time and date, which will result in the rejection of that bid or offer.

There are three acceptable means of delivering/transmitting a bid or offer:

1. The United States Postal Service;
2. Hand delivery by the bidder/offeror itself; and
3. Hand delivery by a commercial delivery/courier company acting as an agent of the bidder/offeror.

For U.S. Postal Service Deliveries

For U.S. Postal Service deliveries, any bid or proposal which has been received at the appropriate mailroom or typical place of mail receipt for the respective procuring unit by the time and date listed in the RFP or specifications will be deemed to be timely.

If a vendor chooses to use the United States Postal Service for delivery, the Department recommends that it use Express Mail, Priority Mail, or Certified Mail only.

These are the only forms of U.S. Postal Delivery for which both the date and time of receipt can be verified by the Department. A vendor using first class mail will, therefore, not be able to prove a timely delivery at the mailroom. It may take several days for an item sent by first class mail to make its way by normal internal mail pickup to a procuring unit's bid box.

For Hand Deliveries by Vendors and Deliveries by Commercial Courier Services

These deliveries must be delivered directly to the room or location specified in the RFP or solicitation and placed in the designated bid box. A bidder who uses as commercial courier service must take appropriate action to ensure that the courier actually delivers the bid/offer to the specified location and not to the Department's mailroom or loading dock. The bid/offer will not be deemed to have been received until it is placed in the designated bid box.

For any type of hand delivery, the vendor or its commercial courier services should request a signed receipt from a procuring unit employee which notes the title of the procurement, the name of the vendor, and the time and date of receipt at the bid box.

Identifying Information

All envelopes containing bids or offers, no matter how transmitted, must contain this information prominently displayed:

- Either "Sealed Bid" or "Sealed Proposal", as appropriate;
- The exact title of the bid or proposal as noted in the RFP or specifications;
- The due time and date; and
- The name of the bidder/offeror.

Questions on any of these requirements should be directed to the Commission contact person identified in the RFP or to Ms. Sharon M. Wiggins, Procurement Officer.

APPENDIX B

BID/PROPOSAL AFFIDAVIT

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Bid/Proposal Affidavit

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title)_____ and the duly authorized representative of (name of business)

_____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in “discrimination” as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. “Discrimination” means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendors, supplier’s or commercial customer’s employees or owners. “Discrimination” also includes retaliating against any person or other entity for reporting any incident of “discrimination”. Without limiting any provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the state of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State’s Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in §16-101 (b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business’s contracting activities including obtaining or performing contracts with public bodies, has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated of Maryland or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961, et seq., or the Mail Fraud Act, 18 U.S.C. §1341, et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of the §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1) through (5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; or

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or

(9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B – C and subsections (1) through (8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds for the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to §16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of §13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101–14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

K. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations).

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

- (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
- (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
- (c) Prohibit its employees from working under the influence of drugs or alcohol;
- (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
- (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
- (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
- (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §K(2)(b), above;
- (h) Notify its employees in the statement required by §K(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
 - (i) Abide by the terms of the statement; and
 - (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
- (i) Notify the procurement officer within 10 days after receiving notice under §K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;
- (j) Within 30 days after receiving notice under §K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
 - (i) Take appropriate personnel action against an employee, up to and including termination; or
 - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §K(2)(a)-(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §K(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic _____) (foreign _____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____

Address: _____

(If not applicable, so state).

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

M. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

N. Repealed.

O. ACKNOWLEDGMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify, or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms, and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date:_____ By:_____

(Authorized Representative and Affiant)

APPENDIX C

CONTRACT AFFIDAVIT

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE
Contract Affidavit

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the [title]_____ and the duly
authorized representative of [name of business]_____
_____ and that I
possess the legal authority to make this Affidavit on behalf of myself and the business for
which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

1. The business named above is a (domestic _____) (foreign _____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____

Address: _____

2. Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgments contained in that certain Bid/Proposal Affidavit dated _____, 20____, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY
THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date:_____ By:_____
(Authorized Representative and Affiant)

APPENDIX D

FINANCIAL PROPOSAL SHEETS

APPENDIX D-1
FINANCIAL PROPOSAL SUMMARY SHEET
Data Collection Support and Analytic Report Development
MHCC 10-001

Price Year 1: \$ _____ +
Price Year 2: \$ _____ +
Price Year 3: \$ _____ +
Price Year 4: \$ _____ +
Price Year 5: \$ _____ +
Unit Work: \$ _____ =

TOTAL BASE CONTRACT FIVE (5) YEAR PRICE

(BASIS OF AWARD)

Offeror

Date

Signature

Federal Employer ID #

NOTE #1 MHCC intends to make a Single Award as a result of this solicitation. The Contract that results from this RFP shall be a combination Firm Fixed Price Contract as described in COMAR 21.06.03.02 with respect to the services required in Part I Sections 4.1-4.8, excluding 4.5 and 4.7; and an Indefinite Quantity Contract with Firm Fixed Unit Prices as described in COMAR 21.06.03.02 & 21.06.03.06 with respect to the services required in Part I Section 4.5.

NOTE #2 The Proposed "Total Base Contract Five (5) Year Price" specified above includes projected hours for the services required in Part I Section 4.5 and will be used solely for price evaluation, comparison and selection for recommendation for award. The quantities indicated for Projected Hours on Appendix D-3 are not a guarantee of any minimum or maximum amounts under this contract and may change at any time during the term of the contract. The actual amount to be paid to the Contractor shall be calculated using 1) the Firm Fixed Prices specified on the Financial Proposal Sheet Appendix D-2 for the services required in Part I Sections 4.1-4.8, excluding 4.5 and 4.7, and 2) the Fixed Unit Prices (Hourly Rates) specified on the Financial Proposal Sheet Appendix D-3 for the services required in Part I Section 4.5 and the actual number of hours authorized and accepted by the MHCC for the six (6) professional labor categories.

NOTE #3 All Proposed Prices entered above are to be fully-loaded prices that include all costs/expenses associated with the provision of services as required by this RFP. The Proposed Prices shall include, but are not limited to: Labor, Profit/Overhead, General Operating and all other expenses except as expressly excluded in the RFP specifications. No other amounts will be paid to the Contractor.

Appendix D-2 Financial Proposal Detail by Task Sheet

Task #	TASK TITLE	Year 1	Year 2	Year 3	Year 4	Year 5
4.1	PRIVATE INSURER DATA REQUIREMENTS					
4.1.A	Payer Support and Data Submission Management	\$	\$	\$	\$	\$
4.1.B	Data Base Construction Plan	\$	\$	\$	\$	\$
4.1.C	Data Quality Report Generation	\$	\$	\$	\$	\$
4.1.D	Data Edit and Error Resolution Report	\$	\$	\$	\$	\$
4.1.E	Develop the Medical Care Data Base					
4.2	MEDICARE DATA FILE CONVERSION AND MCDB DEVELOPMENT	\$	\$	\$	\$	\$
4.3	INFORMATION TO BE COLLECTED BY THE CONTRACTOR	\$	\$	\$	\$	\$
4.4	ANALYTICAL REPORT DEVELOPMENT					
4.4.A	Define annual report on Professional Services Payments and Utilization	\$	\$	\$	\$	\$
4.4.B	Produce annual report on Professional Services Payments and Utilization	\$	\$	\$	\$	\$
4.4.A	Design Report on Health Care Expenditure Comparisons	\$		\$		\$
4.4.B	Produce Report on Health Care Expenditure Comparisons	\$		\$		\$
4.4.A	Design report on privately insured health care utilization		\$		\$	
4.4.B	Produce report on privately insured health care utilization		\$		\$	
4.5	SPECIAL DATA QUALITY STUDIES (From Special Study Unit Work Sheet)	\$	\$	\$	\$	\$
4.6	TRANSITION PLANNING					
TOTAL PRICE		\$	\$	\$	\$	\$

Instructions for completing Appendix D-2: Sum the specific tasks for each year and enter the total in the "TOTAL PRICE" cell for that year. Transfer the "TOTAL PRICE" amount for each year to Appendix D-1.

APPENDIX D-3

FINANCIAL PROPOSAL- Special Study Unit Work Sheet

Professional Category	Projected Hours (P)	Hourly Rate (H)	Total P x H
Project Co-Director(s)	75	\$ _____	\$ _____
Senior Project Manager(s)	525	\$ _____	\$ _____
Programmer Analyst(s)	525	\$ _____	\$ _____
Senior Data Base Manager	50	\$ _____	\$ _____
Desktop Publication Design Specialist	250	\$ _____	\$ _____
Editor	75	\$ _____	\$ _____
TOTAL UNIT WORK (Part I, Section 4-5)			\$ _____

Note: Projected number and Allocation of hours is for evaluation purposes only. See Part II, Section 2.1 for qualifications for each labor category.

SPECIAL STUDY TOTAL ESTIMATED PRICES PER YEAR

Instructions: Sum the product of Projected Hours x Hourly Rate for all six (6) labor categories and enter in the TOTAL UNIT WORK cell on this Appendix (D-3) and on the "Total Unit Work" line in Appendix D-1. Note: MHCC estimates, but does not guarantee, that approximately one-fifth of the unit work hours will be used in each year of the contract.

APPENDIX E
CONTENTS OF READING ROOM

CONTENTS OF READING ROOM

(Electronic copies are available, if possible and the address is referenced in the RFP where the document is discussed.)

Data Collection Requirements
2007 Maryland Medical Care Data Base (MCDB) Design Plan
2007 MCDB Data Edit and Error Resolution Report
2007 MCDB Encounter Data Quality Reports
2007 MCDB Pharmacy Data Completeness Summary Reports
2007 MCDB Payer Support and Data Documentation Plan
2006 Maryland Medical Care Data Base (MCDB) User's Manual
2006 Maryland Medical Care Data Base (MCDB) Documentation
2006 Maryland Medical Care Data Base (Rx MCDB) User's Manual
2006 Maryland Medical Care Data Base (Rx MCDB) Documentation
2006 Data Edit and Error Resolution Plan
State Health Expenditure Account Data Collection
Annual Report Analysis
Special Policy and Data Quality Studies
Example of Special SHEA Data Quality Study

Please contact Ms. Wiggins to arrange an appointment to review reading room material at 410-764-3329 or swiggins@mhcc.state.md.us

APPENDIX F

DATA VOLUME ESTIMATES FROM PRIVATE PAYERS

APPENDIX F

Data Volumes Submitted By Private Payers: 2007 Services

Company	Professional Services Frequency	Pharmacy Services Frequency ¹
Aetna Life & Health Insurance Co.	7,016,265	1,476,181
Aetna U.S. Healthcare	4,793,683	1,629,057
American Republic Insurance Co.	15,261	5,294
CareFirst BlueChoice, Inc.	21,890,959	7,200,414
CareFirst of Maryland, Inc.	24,288,771	2,458,119
CIGNA Healthcare Mid-Atlantic, Inc.	3,971,572	1,265,253
Coventry Healthcare of Delaware, Inc.	1,382,259	943,657
Assurant/Fortis Time Insurance Co.	88,223	21,374
Golden Rule Insurance Co.	157,052	81,881
Graphics Art Benefit Corporation	103,272	42,602
Great-West Life and Annuity Ins. Co.	435,916	202,466
Guardian Life Insurance Co.	292,512	169,637
Unicare Life & Health Insurance Co.	389,778	127,206
Kaiser Permanente Mid-Atlantic States, Inc.	4,995,231	2,720,355
MAMSI Life and Health Insurance Co.	1,596,050	565,491
MD-Individual Practice Association Inc.	3,074,751	1,374,403
MEGA Life & Health Insurance Co.	81,370	88,208
Optimum Choice, Inc.	4,249,351	1,753,820
State Farm Mutual Automobile Ins. Co.	63,067	52,849
United Healthcare Insurance Co.	6,802,094	1,285,853
Trustmark Insurance Company	3,020	1,184
Union Labor Life Insurance Company	36,340	24,273
United Healthcare of Mid-Atlantic, Inc.	239,908	126,931
ALL PAYERS	85,966,705	23,616,508

¹ Number of prescription drug records may increase due to an initiative to collect employer self-insured drug claims from Pharmacy Benefit Managers.

Estimated 2007 Record Counts For Institutional, Eligibility Data in All Submitting Payers

Record Type	Estimated Count
Hospital Discharges¹: Assume 5.2% of estimated number of enrollees had 1 stay. <i>(MEPS-HC 2006 Data Tables: inpatient service users percentage of all privately insured under age 65)</i>	250,000
Hospital Outpatient Visits (including ER)¹: Assume 1.65 hospital outpatient records for each inpatient record. <i>(Based on ratio of outpatient to inpatient records for privately insured Maryland residents in 2006 HSCRC data.)</i>	2,220,000
Eligibility for Medical Services²: Assume the number of unique users of professional services is 75% of all enrollees. <i>(MEPS-HC 2006 Data Tables: office-based medical provider service users percentage of all privately insured under age 65)</i>	4,570,000
Eligibility for Pharmaceutical Coverage²: Assume number of enrollees with drug coverage is 50%–65% of medical enrollees	2,970,000

¹ One record per discharge or visit

² Assuming one record per enrollee

APPENDIX G

LIST OF SUPPLEMENTAL VARIABLES ADDED TO THE MCDB FILES

APPENDIX G

LIST OF SUPPLEMENTAL VARIABLES ADDED TO THE MCDB FILES

COMPONENT FILE	INFORMATION ADDED	VARIABLE SOURCE
Professional Services	Medicare relative value units (RVU) to service record. For non-Medicare CPT/HCPCS service codes, the contractor devised an imputation method to assign RVUs to these services.	CMS; Contractor
Professional Services	BETOS Category of Service Code	CMS
Professional Services	Expenditure Risk of each patient, based on the patient's mix of diagnoses during the service year using the Chronic Illness & Disability Payment System (CDPS)	University of California, San Diego
Professional Services	Clinical classification of each primary diagnosis, using Clinical Classifications Software (CCS)	AHRQ
Prescription Drug Claims	Information on the prescription drug, including active ingredient(s), therapeutic drug class, and whether or not the drug is generic.	Cerner Multum Lexicon
Prescription Drug Claims	Information on whether or not the pharmacy that provided the drug is a mail order pharmacy	Payers

APPENDIX H

MHCC LAN Hardware

MHCC LAN Hardware

1. **File and print server:** Dell Poweredge 1800 running Windows 2003 server, service pack 2, with two Dual-core 3.0GHZ XEON processors, 4Gb memory, RAID 5 disk subsystem using a Dell Perc 4e controller and yielding 272GB usable storage, Quantum SDLT external single drive and single slot tape drive. Software: Arcserve Brightstore v11.1, Panda Antivirus.
2. **Database server:** Dell Poweredge 2800 running Windows 2003 server, service pack 2, with two Dual-core 3.6GHZ XEON processors, 4Gb memory, Dell Perc 4e\Di controller with RAID 1 36GB sysvol and a RAID 5 data volume yielding 1.63TB usable storage, Quantum DLT-S4 external single drive and single slot tape drive. Software: Arcserve Brightstore v11.1, Panda Antivirus.
3. **Mail server:** HP Proliant ML350 G4 with one Dual-core 3.0GHZ XEON processor running Windows 2003 server, service pack 2, 4GB memory, RAID1 disk subsystem using an HP Netraid 1M controller yielding 72GB usable storage. Software: MS Exchange server 2003 service pack 4, Panda antivirus for the server and for the mail gateway.
4. **Intranet server:** HP Proliant DL360 G4 with two Dual-core 3.0GHZ XEON processors running Windows 2008 server 4GB memory, HP Smartarray P400I controller yielding with two RAID1 disks vols each 72GB, Panda Antivirus.
5. **PCs:** various Dell PCs of various configurations running XP or Vista with appropriate service packs, Office 2007, and SAS v9.1 where needed. All PC's run Panda antivirus.
6. **NAS:** Iomega P850M, RAID 5 yielding 1 terabyte usable space.
7. **Switch:** HP 4108gl with 72 10/100 ports and 12 gigabit ports.

APPENDIX I
MHCC DATA USE AGREEMENT
AND
DATA MANAGEMENT PLAN

MHCC DATA USE AGREEMENT

Contract Number MHCC-10-001

AGREEMENT FOLLOWING MARYLAND HEALTH CARE COMMISSION DISCLOSURE OF DATA

This is an agreement between the _____, hereafter "Contractor," and the Maryland Health Care Commission (MHCC). It is for the purpose of ensuring the confidentiality, integrity and security of data maintained in the MHCC system of records while allowing for a partial, restricted disclosure of enumerated information and/or records to the Contractor, subject to conditions.

Background: _____ will use the Maryland _____ under work defined in Contract MHCC 10-001 and the supporting materials, from _____ 20__ through _____ 20__.

1. **Conditions stating Scope of Use of the Information.** The Contractor certifies that the facts, statements, and other representations made in its Contract to MHCC regarding the projected scope of use of the information and all other aspects of the information are complete and accurate. Contractor is bound by the terms of its Contract in its use of the data requested. At the conclusion of this agreement or on the completion of work the Contractor will return all data files, including analysis files developed for work under the contract or certify to MHCC that all data has been removed from the Contractor's system and that all back-up files have been destroyed by the Contractor.
2. **Conditions Establishing Safeguards for Protection of Data Confidentiality.** The Contractor warrants that all patient-specific information will be maintained on a password-protected computer and in a locked office. No patient-specific information will be disclosed to any person or entity outside of the parties stated under the contract and in supporting documentation. The terms of the contract are express representations, which the Contractor agrees it will perform and are included among its obligations under this Agreement. The Contractor shall not disclose, release, reveal, show, sell, lease, loan, or otherwise grant access to the data covered by this agreement except as expressly authorized under the terms of the contract. Within the Contractor's organization, access to the data shall be limited to the minimum number of individuals necessary to achieve the purpose and access shall be granted only on a need-to-know basis.
3. **Breach of Agreement.** Any unauthorized use of the data provided by virtue of this agreement shall constitute a breach of the agreement. Any breach of security or unauthorized disclosure shall constitute a breach of this agreement. Any violation of state or federal law with respect to disclosure of this data shall constitute a breach of this agreement. Notwithstanding the breaches specifically enumerated above, any other failure by the

Contractor to comply with the terms and obligations of this Agreement may constitute a breach of the agreement. Any alleged failure of the MHCC to immediately claim or act upon a breach does not constitute a waiver of a breach.

4. **Consequences upon Breach of Agreement.** In the event that MHCC, in its sole discretion, has a reasonable belief that the Contractor is in breach of this agreement, it may choose among the following options: a) to investigate the matter, including on-site inspection for which the Contractor shall provide access; b) to resolve the dispute by a plan of correction or other alternative; or c) to declare a breach and demand the return of any and all data released under this agreement and to provide no further data.
5. **Other Remedies.** Notwithstanding and in addition to the special provisions referenced in paragraph 4 above, MHCC may exercise any and all legal, equitable, and criminal referral remedies in the event of a breach of this agreement. In the event that MHCC succeeds in a court action to invoke injunctive relief for a violation of this agreement, the Contractor shall pay reasonable attorney's fees and costs to MHCC. The Contractor agrees to indemnify and hold harmless MHCC for any harm to third parties resulting from any breach by the Contractor of the terms of this agreement and to cooperate with the MHCC in its defense of any third party claim involving the Contractor's activities under this agreement.
6. **Rights in Data.** The parties agree that MHCC retains all ownership rights to the data files referenced by this agreement and that the Contractor does not obtain any right, title or interest in the data furnished by MHCC. The Contractor agrees to provide a copy of its study findings to MHCC at the time that it is published.
7. **Modification.** The terms of this agreement may only be changed by a written modification to this agreement, or by the parties adopting a new agreement.
8. **Jurisdiction.** The terms of this agreement shall be governed by the laws of Maryland and the Contractor acknowledges doing business in Maryland and agrees to submit to the jurisdiction of the courts of Maryland in the event of an alleged breach of this agreement.
9. **Custodian.** The following named individual is designated as "Custodian" of the files on behalf of the Contractor and will be personally responsible for the observance of all Conditions of Use, for the protection of confidentiality and security of the data, and for other obligations under this agreement.
10. **Data Management Plan.** The MHCC accepts the data management plan provided by the Contractor. The Contractor agrees to follow the processes described in the plan. Violation of the data management plan shall permit MHCC, at its sole discretion, to exercise remedies described in paragraph 4 and paragraph 5 of this Agreement.

11. Acknowledgements and Signatures. On behalf of the Contractor, _____,
the undersigned individual hereby attests authorization to enter into this agreement and agrees
to all the terms specified herein.

Date

Printed Name

Signature

As required in Paragraph 9 above, the Custodian acknowledges appointment as Custodian of the
aforesaid data files and information on behalf of the Contractor, and agrees personally and in a
representative capacity to comply with all of the provisions, conditions, and terms of this
agreement.

Date

Name and Title of Custodian Typed or Printed

Signature

On behalf of MHCC, the undersigned individual hereby attests authorization to enter into this
agreement.

Date

Ben Steffen, Director, Center for Analysis and Information Services

Signature

**Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215
Telephone: 410-764-3570
E-Mail: BSTEFFEN@mhcc.state.md.us**

**DATA MANAGEMENT PLAN
TO ACCOMPANY Contract Number MHCC-10-001**

1.) NAME OF PERSON WHO WILL TAKE RECEIPT OF THE DATA AND WHERE IT WILL BE HOUSED/SENT.

2.) NAMES OF THE PERSONS WHO WILL BE USING THE DATA & THEIR ROLES (VERY BRIEFLY) IN HANDLING THE DATA. (Note – these persons and their roles will be listed on the Addendum and each must sign an individual confidentiality statement.)

**3.) DESCRIPTION OF DATA MANAGEMENT PROCEDURES
(use additional sheets if needed)**

Overview

Broadly describe the Plan

Data Storage and Security

To protect HIPAA indirectly identifiable data will be supplied, please describe how data will be stored. Include procedures on the workstation and server, if applicable.

Data Access

Describe all people who will have access. How will the data be accessed? Who will have physical access to the data?

Data Transmission

MHCC must expressly authorize the release or transmittal of information to external organizations or other individuals. How will you meet these requirements?

Disposal of Data

Describe your procedures for handling work files and original files. Document approaches to handling paper.

APPENDIX J

INFORMATION TECHNOLOGY SECURITY STANDARD PROTECTED HEALTH INFORMATION

APPENDIX J

INFORMATION TECHNOLOGY SECURITY STANDARDS

PROTECTED HEALTH INFORMATION

The Commission requires that vendors have in place sound protections for electronic health information. Responses provided to the categories listed below will enable the Commission to evaluate that the integrity, confidentiality, and availability of electronic protected health information it collects, maintains, uses, or transmits is protected. The confidentiality of health information is threatened not only by the risk of improper access to stored information, but also by the risk of external intrusion or interception during transmission of information. The Commission broadly requires vendors to meet standards outlined under Title II Subtitle F, Sections 261 through 264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Pub. L. 104-191. These standards require measures to be taken to secure electronic information while in its custody as well as in transit. Information specific to these requirements can be obtained from the Department of Health and Human Services 45 CFR Parts 160, 162 and 164 Health Insurance Reform: Security Standards.

Policies: The vendor must demonstrate that it has developed and implemented policies and procedures to secure protected health information. Policies and procedures must be department specific regarding the purchase, care and handling of hardware and software.

Roles and responsibilities of management, technical staff, and users: The vendor must explain specific roles of management and technical staff in the daily supervision of its information technology systems. Discuss the method used for assigning access to information technology systems, i.e., role based or user based access. Indicate any access variations that exist between management and the system administrators.

Accounts and passwords: The vendor must provide evidence its network and/or server(s) are set up by unique user accounts. Information technology used to store or maintain health information must have access limited to users with only specific account access authorization.

Privacy and confidential data storage: The vendor must explain how its health information is stored, maintained, and transmitted and how it protects this information from internal and external intrusion. Explain the encryption technique used when electronic health information is transmitted externally.

Physical security plan: The vendor must demonstrate its technique for controlling physical access to offices and computer equipment. Explain how you control access to workstations. Discuss control measures used for assigning keys and swipe cards to employees.

Network configuration plan: The vendor must diagram its network and/or server(s) where information technology is stored and operates. Provide an overview of the partitioning of your network and/or server(s) and where protected health information will reside.

Business continuity plan: The vendor must explain how its operations would continue in the event a disaster. Include a discussion of an alternative site, replacement workstations and/or server(s) used to support your organization, how employees would perform their tasks from a remote site, and how long you could operate from a remote location before you would experience a degradation of service.

Backup and recovery plan: The vendor must explain its data backup process and how media is stored. Describe the practice used for restoring data on information technology system(s) using backup media. Include the frequency for testing the backup and recovery plan.

Keeping track of information technology upgrades and changes: The vendor must explain its process for protecting health information during system upgrades. Summarize how data is safeguarded during system repairs when performed by external parties to the organization. Discuss the documentation process used to track changes made in your information technology system.

Software licensing and policy: The vendor must include a list of software it's licensed to use and provide a copy of each license. Discuss the filing system that allows you to track licenses.

User Awareness training: The vendor must provide evidence indicating that employees have read and understand your information technology security practice on an annual basis.

Network and/or server security: The vendor must provide an overview of its firewall protection for the network and/or server(s), and discuss any protections that exist on the workstations.

Anti-Virus software: The vendor must explain its anti-virus software, frequency of updates and configuration.

Social Engineering: The vendor must explain its internal processes designed to prevent the inadvertent exchange of protected health information by employees.

APPENDIX K
COT/GAD X-10 VENDOR ELECTRONIC FUNDS REGISTRATION REQUEST FORM

**State of Maryland
Comptroller of Maryland**

Vendor Electronic Funds Transfer (EFT) Registration Request Form

Date of request _____

Business identification information (Address to be used in case of default to check):

Business name _____

Address line 1 _____

Address line 2 _____

City _____ State _____ Zip code

--	--	--	--	--

--	--	--	--	--

Business taxpayer identification number:

Federal Employer Identification Number:

--	--

--	--	--	--	--	--	--	--

(or) Social Security Number:

--	--	--

--	--

--	--	--	--	--	--

Business contact name, title, e-mail and phone number including area code. (And address if different from above):

Financial institution information:

Name and address _____

Contact name, phone number (include area code), _____

ABA number:

--	--	--	--	--	--	--	--	--	--

Account number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account type: ☐ Checking ☐ Money Market

A VOIDED CHECK from the bank account must be attached.

Transaction requested:

1. ___ Initiate all disbursements via EFT to the above account.
2. ___ Discontinue disbursements via EFT, effective _____
3. ___ Change the bank account to above information – a copy of the approved Registration Form for the previous bank account must be attached.

(OVER)

I am authorized by *_____ (hereinafter Company) to make the representations contained in this paragraph. Company authorizes the Comptroller and the Treasurer of Maryland to register it for electronic funds transfer (EFT) using the information contained in this registration form. Company agrees to receive all funds from the State of Maryland by electronic funds transfer according to the terms of the EFT program. Company agrees to return to the State of Maryland any EFT payment incorrectly disbursed by the State of Maryland to the Company's account. Company agrees to hold harmless the State of Maryland and its agencies and departments for any delays or errors caused by inaccurate or outdated registration information or by the financial institution listed above.

*Name of registering business entity

Signature of company treasurer, controller, or chief financial officer and date

Completed by GAD/STO

Date Received _____

GAD registration information verified _____ Date to STO _____

STO registration information verified _____ Date to GAD _____

R*STARS Vendor No. and Mail Code Assigned:

_____/_____/_____

State Treasurer's Office approval date

General Accounting Division approval date

To Requestor:

Please retain a copy of this form for your records. Please allow approximately 30 days from the date of your request for the Comptroller's and Treasurer's Offices to process your request. Failure to maintain current information with this office could result in errors in payment processing. If you have any questions, please call the EFT registration desk at 410-260-7375.

Please submit form to: EFT Registration, General Accounting Division
Room 205, P.O. Box 746
Annapolis, Maryland 21404-0746

Instructions: Electronic Funds Transfer instructions are located: <http://compnet.comp.state.md.us/gad>. Questions may be requested by email, gad@comp.state.md.us. Or call 1-888-784-0144.

COT/GAD X-10

APPENDIX L

MBE INSTRUCTIONS & ATTACHMENTS

MBE SUBCONTRACTING PARTICIPATION INSTRUCTIONS FOR THE RFP MBE ATTACHMENTS A-H

If this procurement contains MBE subcontract participation goals, offerors, including those offerors that are certified MBEs, shall:

- (a) Identify specific work categories within the scope of the procurement appropriate for subcontracting;
- (b) Solicit certified MBEs in writing at least 10 days before proposals are due, describing the identified work categories and providing instructions on how to bid on the subcontracts;
- (c) Attempt to make personal contact with the certified MBEs solicited and to document these attempts;
- (d) Assist certified MBEs to fulfill, or to seek waiver of, bonding requirements; and
- (e) Attend pre-proposal or other meetings the procurement agency schedules to publicize contracting opportunities to certified MBEs.

The MBE documentation which must be submitted is set out below.

- I.** The offeror shall submit one original and two copies of a completed **Certified MBE Utilization and Fair Solicitation Affidavit (MBE Attachment A)**, signed by the offeror, which shall become part of the contract. Offerors shall select either box 1b or 1c to reflect their anticipated compliance or inability to comply with the established goal. Failure to include this Attachment A with the proposal shall result in a determination that the entire proposal is not reasonably susceptible for award of contract. NOTE: Attachment A and Attachment B shall be placed together in a separate envelope labeled “MBE Attachments”.
- II.** The offeror shall submit one original and two copies of a completed **MBE Participation Schedule (MBE Attachment B)**, signed by the offeror, which shall become part of the contract. Part I of Attachment B shall be completed regardless of the selection made on Attachment A. In the event box 1b or 1c is selected on Attachment A and a partial waiver is requested, Part II of Attachment B shall be completed. In the event box 1c is selected on Attachment A, and a full waiver is requested, Part II of Attachment B shall be left uncompleted. Failure to include this Attachment B with the proposal shall result in a determination that the entire proposal is not reasonably susceptible for award of contract.

If completed, Part II of Attachment B shall include the following information:

- (a) The name of each proposed MBE who will participate in the project, the specific percentage of the total contract price represented by each subcontract and a description of the services to be performed or items to be furnished by the MBE. Use of “TBD” for any of these required items is unacceptable.

Note: The percentages of the Total Contract Price to be performed by each MBE must, when added together, at least equal the percentage of MBE participation indicated on Attachment A.

- (b) Any other documentation considered appropriate by the Department of Health and Mental Hygiene to ascertain compliance with the Contract's MBE participation goal.

Failure to include either MBE Attachment A or B will render the entire proposal not reasonably susceptible of being selected for award and cause the Department to return the RFP without further consideration.

- III. Within 10 days of being notified that it has been recommended for award of a contract, the offeror shall submit one original and two copies of a completed **Outreach Efforts Compliance Statement (MBE Attachment C)**, signed by the offeror, which shall become part of the contract. It shall include:
 - (a) A listing of specific work categories identified by the offeror in which there are subcontracting opportunities,
 - (b) Copies of written solicitations used to solicit certified MBEs for these subcontracting opportunities.
 - (c) A description of the offeror's attempts to personally contact the solicited MBEs.
 - (d) A description of offeror's efforts to fulfill or seek waiver of bonding requirements, if bonding is required.
- IV. Within 10 days of being notified that it has been recommended for award of a contract, the offeror shall submit one original and two copies of a completed **MBE Subcontractor Project Participation Statement (MBE Attachment D) for each MBE subcontractor identified in MBE Attachment B**. The identify of each MBE subcontractor for whom an Attachment D is submitted must be the same as those included on the MBE Participation Schedule (MBE Attachment B), unless any changes in MBE subcontractors have been submitted to and approved by the Department. Each Attachment D shall be signed by both the offeror and the MBE listed and include:
 - (a) A statement of intent to enter into a contract between the prime contractor and the subcontractor if a contract is executed between the Department of Health and Mental Hygiene and the prime Contractor.
 - (b) The amount and type of bonds required of that MBE subcontractor, if any.
- V. Whenever a modification is entered into or an option is exercised in regard to this contract, the contractor will be required to provide a new MBE Participation Schedule (MBE Attachment B) for each MBE subcontractor affected, which shall be submitted to the Office of Contract Policy, Management and Procurement with the modification or option submission package. If an MBE subcontractor, previously listed on the MBE Participation Schedule, has changed from the original submission, MBE Attachments B & D must be submitted for that MBE subcontractor with the request for a modification or exercise of an option.

VI. MBE Participation Waiver

If, before submitting his proposal, the offeror is unable to achieve the Contract goal for certified MBE participation, the offeror shall submit instead of or in conjunction with an MBE Subcontractor Project Participation Statement, a request in writing for a waiver with justification, to include the following:

- (a) A detailed statement of the efforts made to select portions of the proposed work to be performed by the certified MBEs in order to increase the likelihood of achieving the stated goal;
- (b) A detailed statement of the efforts made to contact and negotiate with certified MBEs including the names, addresses, dates, and telephone numbers of the certified MBEs contacted and a description of the information provided to the certified MBEs regarding plans, specifications, and anticipated time schedules for the portions of the work to be performed by certified MBEs;
- (c) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful offeror considered not to be acceptable, a detailed statement of the reasons for this conclusion; and
- (d) In the event no certified minority subcontractors are found to be available, a signed and notarized **MBE Statement of Unavailability (MBE Attachment E)** must be prepared by the offeror, including the names, addresses, dates, and telephone numbers of the certified MBEs contacted, and the reason each MBE is unavailable.

COMAR (Code of Maryland Regulations) 21.11.03.11 governing the MBE waiver is included as **MBE Attachment F**.

VII. MBE Participation Compliance

To assure compliance with certified MBE subcontract requirements, the Department shall conduct periodic reviews and require periodic reports from both the prime contractor and the certified MBE subcontractor(s). The reviews and reports shall include:

- (a) **A Prime Contractor Unpaid MBE Invoice Report (MBE Attachment G)** listing any unpaid invoices, over 30 days old, received from any certified MBE contractor, the amount of each invoice and the reason payment has not been made.
- (b) **A Subcontractor Payment Report (MBE Attachment H)** that identifies the prime contract and lists all payments received from the contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices. A requirement that the MBE provide this report to the Prime Contractor monthly shall be included in the subcontract between the Prime Contractor and the subcontractor.

One copy of each report noted above, is to be submitted monthly to the Department's Contract Monitor as listed on the 3rd page of this solicitation and to the Office of Community Relations, 5th floor, 201 West Preston Street, Baltimore MD 21201 (410) 767-6600.

- (c) The Prime Contractor shall maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of the work performed.

- (d) The offeror, by submitting a proposal, in the event of contract award, shall consent as prime contractor to provide such documentation as is reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. The contractor must retain all records concerning MBE participation and make them available for Department inspection for a period of three years after final completion of the contract.

VII. All questions related to certification, as an MBE must be directed to:

Maryland Department of Transportation
Office of Minority Business Enterprise/Equal Opportunity
P.O. Box 8755
BWI Airport
Baltimore, Maryland 21240
Telephone: (410) 865-1269

and Fair Solicitation

NOTICE

If the bidder or offeror fails to properly complete and submit this form with the bid or offer, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

Complete the information requested below in paragraphs 1 and 1a.

1. In conjunction with the bid or offer submitted in response to Solicitation No. _____, I affirm the following:
 - 1a. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of _____ percent and, if specified in the solicitation, subgoals of _____ percent for MBEs classified as African American-owned and _____ percent for MBEs classified as women-owned.

Check paragraph 1b. or 1c. If paragraph 1c is selected, fill in the percentage of MBE participation to be achieved (from 0% up to per cent specified in RFP).

- ☐ 1b. I have made a good faith effort to achieve this goal and intend to meet or surpass it. I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule (MBE Attachment B) shall be used to accomplish the percentage(s) of MBE participation noted above in 1a.

OR

- ☐ 1c. After having made a good faith effort to achieve the MBE participation goal, I conclude I am unable to achieve it. Instead, I propose to achieve MBE participation of _____% and request a waiver of the remainder of the goal. Within 10 business days of receiving notice that I or the firm I represent is the recommended bidder or recommended offeror, I will submit a written waiver request compliant with COMAR 21.11.03.11. I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule (MBE Attachment B) shall be used to accomplish the percentage of MBE participation I am able to achieve as indicated above.
2. I have identified the specific commitment of certified Minority Business Enterprises by completing and submitting an MBE Participation Schedule (MBE Attachment B) with the bid or financial proposal.
3. I understand that if I am notified that I am the apparent awardee, I must submit the following documentation within 10 working days of receiving notice of the potential award or from the date of conditional award (per COMAR 21.11.03.10), whichever is earlier.
 - (a) Outreach Efforts Compliance Statement (Attachment C)
 - (b) Subcontractor Project Participation Statement (Attachment D)
 - (c) MBE Waiver Request per COMAR 21.11.03.11 (if applicable)
 - (d) Any other documentation required by the Procurement Officer to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

I acknowledge that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

4. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.
5. The solicitation process was conducted in such a manner so as to not place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors.

I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

Bidder/Offeror Name

Signature of Affiant

Address

Printed Name, Title

Date

Submit this Affidavit with Bid/Technical Proposal
Maryland Department of Health and Mental Hygiene
201 West Preston Street
Baltimore, Maryland 21201

MBE Participation Schedule

◀◀◀◀◀ NOTICE ▶▶▶▶▶

The bidder shall complete Part I in all cases. If Box (1b.) is selected in Attachment A, Part II shall be completed to identify all MBE subcontractors, describe the work each will perform and provide the percentage of the Total Contract Amount that each will receive. DO NOT USE "TBD" IN ANY OF THESE FIELDS. If Box (1c.) is selected on Attachment A, MBE subcontractors that will partially meet the goal shall be identified, or, if a total waiver is requested, Part II need not be completed. In no case, however, shall this Attachment be omitted in its entirety or submitted without completing Part I and signing. If the bidder or offeror fails to submit the form with the bid or financial proposal as required, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

NOTE: It is essential that if either complete or partial compliance with the MBE goal set out in the solicitation is selected, the sum of the percentages of the Total Contract Price for all of the MBE subcontractors identified below shall at least equal the percentage of MBE subcontracting which is committed to on Attachment A.

PART I.

Prime Contractor: (Firm Name, Address, Phone)	Project Description:
Project Number: DHMH OPASS ____ - _____	Total Contract Amount: \$

PART II.

List Information For Each Certified MBE Subcontractor On This Project

A. Subcontractor (Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	

B. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	
C. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	
D. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	Percentage of Total Contract:
E. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	

F. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	
G. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	
H. Subcontractor: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Percentage of Total Contract Price to be provided by this MBE: _____	

Sum of Percentages of Total Contract Price

MBE Subcontractor A percentage _____

+ MBE Subcontractor B percentage _____

+ MBE Subcontractor C percentage _____

+ MBE Subcontractor D percentage etc _____

TOTAL Percentage: _____ (Must be equal to or greater than MBE percentage indicated on MBE Attachment A)

Document Prepared By:

Name _____ Title _____

List Additional MBE Subcontractors or Provide Additional Comments on Separate Form.

Outreach Efforts

Compliance Statement

In conjunction with the bid or offer submitted in response to Solicitation No. _____, I state the following:

1. Bidder/ Offeror identified opportunities to subcontract in these specific work categories (Attach additional pages if necessary):
 -
 -
 -
 -
2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these subcontract opportunities.
3. Bidder/Offeror made the following attempts to contact personally the solicited MBEs. (Attach additional pages if necessary):
 -
 -
 -
 -
4. ☐ Bidder/Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements. (Describe Efforts) (Attach additional pages if necessary)
- ☐ This project does not involve bonding requirements.
5. ☐ Bidder/Offeror did / did not attend the pre-bid conference.
- ☐ No pre-bid conference was held.

_____ Bidder/Offeror Name	By: _____
_____ Address	_____ Name, Title
	_____ Date

To Be Submitted By Recommended Bidder/Offeror
 Maryland Department of Health and Mental Hygiene
 201 West Preston Street
 Baltimore, Maryland 21201

Subcontractor
Project Participation Statement

Submit one form for each Certified MBE listed in the MBE Participation Schedule (MBE Attachment B)

Provided that _____ is awarded the State contract in
(Prime Contractor Name)
conjunction with Solicitation No. _____, the Prime Contractor and
_____ MDOT Certification No. _____, _____, intend to
(Subcontractor Name)
enter into a contract by which Subcontractor shall _____
(Describe Work)

_____ No bonds are required of Subcontractor.

_____ The following amount and type of bonds are required of Subcontractor:



Prime Contractor Signature

By: _____
Name, Title

Date

Subcontractor Signature

By: _____
Name, Title

Date

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE

MINORITY CONTRACTOR UNAVAILABILITY CERTIFICATE

Section I (to be completed by PRIME CONTRACTOR)

I hereby certify that the firm of _____
(Name of Prime Contractor)

located at _____,
(Number) (Street) (City) (State) (Zip)

on _____ contacted certified minority business enterprise, _____
(Date) (Name of Minority Business)

_____ located at _____,
(Number) (Street) (City) (State) (Zip)

seeking to obtain a bid for work/service for project number _____, project name _____

List below the type of work/ service requested:

Indicate the type of bid sought, _____. The minority business enterprise identified above is either unavailable for the work /service in relation to project number _____, or is unable to prepare a bid for the following reasons(s):

The statements contained above are, to the best of my knowledge and belief, true and accurate.

(Name) (Title)

(Number) (Street) (City) (State) (Zip)

(Signature) (Date)

Note: Certified minority business enterprise must complete Section II on reverse side.

Section II (to be completed by CERTIFIED MINORITY BUSINESS ENTERPRISE)

I hereby certify that the firm of _____ MBE Cert.# _____
(Name of MBE Firm)

located at _____
(Number) (Street) (City) (State) (Zip)

was offered the opportunity to bid on project number _____, ON _____
(Date)

by _____
(Prime Contractor's Name) (Prime Contractor Official's Name) (Title)

The statements contained in Section I and Section II of this document are, to the best of my knowledge and belief, true and accurate.

(Name) (Title) (Phone)

(Signature) (Fax Number)

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE
Code of Maryland Regulations (COMAR)
Title 21, State Procurement Regulations
(regarding a waiver to a Minority Business Enterprise subcontracting goal)

COMAR 21.11.03.11 - Waiver.

- A. If, for any reason, the apparent successful bidder or offeror is unable to achieve the contract goal for certified MBE participation, the bidder or offeror may request, in writing, a waiver to include the following:
- (1) A detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs in order to increase the likelihood of achieving the stated goal;
 - (2) A detailed statement of the efforts made to contact and negotiate with certified MBEs including:
 - (a) The names, addresses, dates, and telephone numbers of certified MBEs contacted, and
 - (b) A description of the information provided to certified MBEs regarding the plans, specifications, and anticipated time schedule for portions of the work to be performed;
 - (3) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful bidder or offeror considers not to be acceptable, a detailed statement of the reasons for this conclusion;
 - (4) A list of minority subcontractors found to be unavailable. This list should be accompanied by an MBE unavailability certification signed by the minority business enterprise, or a statement from the apparent successful bidder or offeror that the minority business refused to give the written certification: and
 - (5) The record of the apparent successful bidder or offeror's compliance with the outreach efforts required under Regulation .09B(2)(b).
- B. A waiver of a certified MBE contract goal may be granted only upon reasonable demonstration by the bidder or offeror that certified MBE participation was unable to be obtained or was unable to be obtained at a reasonable price and if the agency head or designee determines that the public interest is served by a waiver. In making a determination under this section, the agency head or designee may consider engineering estimates, catalogue prices, general market availability, and availability of certified MBEs in the area in which the work is to be performed, other bids or offers and subcontract bids or offers substantiating significant variances between certified MBE and non-MBE cost of participation, and their impact on the overall cost of the contract to the State and any other relevant factor.
- C. An agency head may waive any of the provisions of Regulations .09-.10 for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those procedures.
- D. When a waiver is granted, except waivers under Section C, one copy of the waiver determination and the reasons for the determination shall be kept by the MBE Liaison Officer with another copy forwarded to the Office of Minority Affairs.

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE

MINORITY BUSINESS ENTERPRISE PARTICIPATION

Prime Contractor Unpaid MBE Invoice Report

To Be Completed Monthly by Prime Contractor

Report Month/Yr: _____
Report Due by 15th of following month.

Contract #:	
Contracting Unit:	
Contract Amount:	
MBE Subcontract Amount:	
Contract Begin Date:	End Date:
Services Provided	

Prime Contractor Name		Contact Person	
Address			
City	State	Zip	
Phone	Fax	email	

Subcontractor Name		Contact Person	
Address			
City	State	Zip	
Phone	Fax	email	
Subcontractor Services Provided			

List any unpaid invoices over 30 days old received from this vendor and reason for non-payment.

- 1.
- 2.
- 3.

Total Amount Unpaid \$ _____

****If more than one MBE subcontractor is used for this contract, please use separate report forms. Return one copy of this form to each of the following (3) addresses:**

 DHMH

Ms. Beverly Spence
 Maryland DHMH
 Office of Community Relations
 201 W. Preston St. 5th floor
 Baltimore, MD 21201

Signature _____ Date _____

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE
MINORITY BUSINESS ENTERPRISE PARTICIPATION

Subcontractor Payment Report

To Be Completed Monthly by MBE Subcontractor

Report Month/Yr :

Report Due by 15th of following month.

Contract #:

Contracting Unit:

Contract Amount:

MBE Subcontract Amount:

Contract Begin Date:

End Date:

Services Provided:

Prime Contractor Name

Contact Person

Address

City

State

Zip

Phone

Fax

email

Subcontractor Services Provided

MBE Subcontractor Name

MDOT Certification #

Contact Person

Address

City

State

Zip

Phone

Fax

email

Subcontractor Services Provided

List all payments received from Prime

List dates and amounts of any outstanding invoices sent to Contractor in the preceding 30 days.

Invoice #

Amount \$

Date`

Amount \$

1.

1.

2.

2.

3.

3.

Total Dollars Paid \$

Total Dollars Unpaid \$

Return one copy of this form to each of the following (3) addresses:

Contract Monitor

Contracting Unit

DHMH

Ms. Beverly Spence

Maryland DHMH

Office of Community Relations

201 W. Preston St. 5th floor

Baltimore, MD 21201

Subcontractor Signature_____

Date_____

APPENDIX M

LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS

Appendix M

Living Wage Requirements for Service Contracts

- A. This contract is subject to the Living Wage requirements under Title 18, State Finance and Procurement Article, Annotated Code of Maryland and the regulations proposed by the Commissioner of Labor and Industry. The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract. The Living Wage Law does not apply to an employee who works less than thirteen consecutive weeks and full-time on a contract subject to the Living Wage.
- B. The Living Wage Law does not apply to:
- (1) A Contractor who:
 - (A) has a State contract for services valued at less than \$100,000, or
 - (B) employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
 - (2) A Subcontractor who:
 - (A) performs work on a State contract for services valued at less than \$100,000,
 - (B) employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
 - (C) performs work for a contractor not covered by the Living Wage Law as defined in B(1)(B) above, or B (3) or C below.
 - (3) Contracts involving services needed for the following:
 - (A) Services with a Public Service Company;
 - (B) Services with a nonprofit organization;
 - (C) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit"); or
 - (D) Services between a Unit and a County or Baltimore City.
- C. If the Unit responsible for the State contract determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or

program.

- D. A Contractor must not split or subdivide a contract, pay an employee through a third party, or treat an employee as an independent contractor or assign work to employees to avoid the imposition of any of the requirements of Title 18, State Finance and Procurement, Annotated Code of Maryland.
- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- F. The Commissioner of Labor and Industry shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's Website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in §18-103(c), State Finance and Procurement Article, Annotated Code of Maryland, shall not lower an employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner of Labor and Industry.
- H. A Contractor/Subcontractor may reduce the wage rates paid under §18-103(a), State Finance and Procurement, Annotated Code of Maryland, by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland.
- I. Under Title 18, State and Finance Procurement Article, Annotated Code of Maryland, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.

Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts

Re: Solicitation No. _____

Offer/Bid submitted by (name of firm)_____

Address_____

City_____ State_____ Zip Code_____

The Undersigned, being an authorized representative of the above stated Bidder/Offeror, hereby affirms our commitment to comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract.

Unless determined to be exempt, the Bidder/Offeror agrees to pay its employees who are subject to living wage at least the living wage rate in effect at the time service is provided for hours spent on State contract activities, and to ensure that its Subcontractors who are not determined to be exempt also pay the required living wage rate to their employees who are subject to the living wage for hours spent on State contract activities. The Bidder/Offeror agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.

(If applicable) The Bidder/Offeror provides the following reasons why the affirmations above cannot be given and affirms that it is exempt from Maryland's Living Wage Law for the following reasons:

Name of Authorized Representative: _____

Signature of Authorized Representative Date

Title

Witness Name (Typed or Printed)

Witness Signature Date

